

**AN ANALYSIS OF FLEET AND CARD  
MANAGEMENT IN THE NORTH WEST  
PROVINCIAL DEPARTMENT OF  
TRANSPORT**

**BY**

**ABEL BENSON LUNGU**

SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION  
TO THE GRADUATE SCHOOL OF BUSINESS AND GOVERNMENT  
LEADERSHIP IN THE FACULTY OF COMMERCE AND  
ADMINISTRATION AT THE NORTH WEST UNIVERSITY

SUPERVISOR:            PROFESSOR PHILLIP SARUMAGA – ZAKE

DATE SUBMITTED:    JULY 2004

## ACKNOWLEDGEMENTS

First and foremost, I would like to express my gratitude to the entire management and staff members of the North West Provincial department of Transport for according me an opportunity to conduct this study in the department. The co-operation rendered was insurmountable and is deeply appreciated.

I am also indebted to the numerous people who went out of their way to assist me in making this study which to start with was a mere pipe dream into a reality. First and foremost, I would like to thank my dearest wife Chipso for everything unmentionable which she has done. Not only did she provide material, financial and moral support, but she also served as an encouragement every time I felt weary and thought of dropping the research. Her quest for my success kept my spirit high throughout. In the same token, I would like to thank my son Chongo and my daughter Naomi for tolerating me every time I said I wanted to study as they would both oblige and reduce the volume levels on the music system. My special thanks also go to my youngest son Mingwinji aka Mingwi for being so mischievous during my study period. As much I was disturbed every time I attempted to either read in the bedroom or type my assignments on the computer, his disturbances actually formed a part of relaxation for my mind as I felt a bit better and relieved after leaving my books to attend to him.

My indebtedness to the course also goes to very special people who were by my side throughout my academic life and some of these are Dr. Kerotse Seodi, Lubi Ndaba, Sibusiso Gwebu, Justine Musonza, Brian Ntsie (Kgomotso), Rhyme Setsedi, Petrus Magano, Raja Govender, Motlalepula Sebokolodi, Ellen, Lebo, Lerato, Lester (Chief frog) Aumatjie and Reggie Udayan.

May I also express my special thanks to special people like Mosisanagape Mildred Dreyer for being so inspirational, understanding, helpful, persuasive, caring and sympathetic during the course of the study. Her attributes really kept me going without which I could have withered and dropped off by the way side. Her impetus came at a time when things were on the down ward slop for me and she turned everything around and showed me the direction.

I am as well very thankful to Ruth Motale (Maaso) for being there for me and my friend Justine through both troubled and joyful times. The morale provided during this trying moment was noted with appreciation and I would further like to express my sincere thanks for sacrificing her job, status and car for our use. She will forever be remembered.

My indebtedness also goes to my two deceased fathers for the way in which I was raised and nurtured in order to attain this success. These are Mr. Benson Mapili Lungu and Mr. Nelson James Mapala. In the same token, I would like to thank my mothers Mrs. Annie Falls Lungu and Mrs. Noreen Mwiinga Mapala. These two outstanding fair ladies contributed a lot to both my livelihood and my

professional life. Their encouragements and ballocks when I went wrong really made me what I am today. It's a pity that at the present moment, there isn't anything that I can give which would be enough to say thank you. But for now, it will only suffice to say that "I appreciate the job you have done for me and that I will always be proud of you".

Also to be thanked are my siblings, Joyce and Aggrey (Orgy), Kenny and Lilly, Harriet and bro Willy, Ireen and Felix (Mmaboyi), Jennipher (Posthumously) and Beatrice. I would also like to thank Mutinta, Mwenda and Collin, James, Manno, Elijah and my Plot II Anna Mwiinga. Also being thanked are all my nephews, nieces and grandchildren though none of them is born yet but I know for sure that I will be a grand father in years to come whether or not I will be alive.

Last but not the least, I would like to thank my supervisor, Prof. Sarumaga – Zake for being tolerant, kind, firm and for ensuring that the quality and standard of the study was maintained. I would also like to thank the Professor for opening up his home to me where I could take my work for review even when it was late.

Thanks to the pubs, club owners and hotels where I and my friends relaxed and imbibed in drinks after a tedious session at the lecture theatres. I also want to compliment my car, Mazda (Sting) FDY 932 NW for taking me places timeously and safely without breaking down or running out of petrol.

Special thanks go to the almighty God Jehovah for being the guiding force behind all these people who supported me and for his own graciousness' on my work. Nothing would have been possible without the touch of his holy hand. May his loving kindness continue to guide and protect every one.

## **DECLARATION**

I declare that the dissertation for the degree in Masters of Business Administration at the North-West University hereby submitted, has not previously been submitted by me for a degree at this or any other University, that it is my own work in design and execution and that all material contained herein has been duly acknowledged.

**ABEL BENSON LUNGU**

## TABLE OF CONTENTS

<b>Acknowledgements</b>	<b>ii</b>
<b>Declaration</b>	<b>iv</b>
<b>Table of contents</b>	<b>v</b>
<b>List of tables</b>	<b>viii</b>
<b>List of figures</b>	<b>viii</b>
<b>Abstract</b>	<b>ix</b>
<b>Chapter 1 Introduction</b>	<b>1</b>
1.1 Orientation and introduction	1
1.2. Statement of the problem	2
1.3 Rationale of the study	3
1.4 Methodology	4
1.5 Organisation of the study	4
1.6 Conclusion	4
<b>Chapter 2 Literature review</b>	<b>5</b>
2.1 Introduction	5
2.2 Definitions	5
2.2.1 <i>Property</i>	5
2.2.2 <i>Asset</i>	6
2.2.3 <i>Management</i>	6
2.3 Theoretical foundation	7
2.4 Literature review	7
2.4.1 <i>Beneficial results derived from Strategic property asset management (SPAM)</i>	7
2.4.2 <i>Periods when misuse occurs</i>	8
2.4.3. <i>Attributes of government fleet</i>	9
2.4.4. <i>Public vs Public Sector</i>	9
2.4.5. <i>Hi-tech system saves high expenditure</i>	9
2.4.6 <i>Auto Fuel System (AFS) Critique</i>	10
2.4.7 <i>Departmental officials cautioned</i>	11

2.4.8	<i>Categories of government fleet in Zambia</i>	13
2.4.9.	<i>Distinction between misuse and authorised use</i>	13
2.5	Reasons for asset management	14
2.6	Functions of asset management	14
2.7	Traditional approaches to asset management	15
2.8	Nature of strategic asset management	16
2.9	Performance monitoring	18
2.10	Summary	19
<b>Chapter 3</b>	<b>Research design</b>	
3.1	Introduction	20
3.1.1.	Case study as a methodological framework	20
3.1.2.	Sampling design and procedures	21
3.1.3.	Data collection procedures	22
3.1.4.	Data collection instruments	22
	3.1.4.1. <i>Construction of questionnaires</i>	22
	3.1.4.2. <i>Advantages of questionnaires</i>	23
	3.1.4.3. <i>Disadvantages of questionnaires</i>	24
	3.1.4.4. <i>Administration of questionnaires</i>	25
	3.1.4.5. <i>Semi-structured interviews</i>	25
3.2.	Data analysis techniques	26
3.3.	Summary	26
<b>Chapter 4</b>	<b>Analysis and interpretation of results</b>	<b>27</b>
4.1	Introduction	27
4.2	Background information	27
4.3	The respondents	28
4.4	Management structure	42
4.5.	Conclusion	43

<b>Chapter 5</b>	<b>Summary of the study and recommendations</b>	<b>44</b>
5.1	Introduction	44
5.2	Summary of the study	44
5.2.1.	Research findings	45
5.2.2.	Key findings of the study	51
5.2.3.	Conclusion	52
5.3.	Recommendations	52

<b>Bibliography</b>	<b>54</b>
---------------------	-----------

### **Appendices**

Appendix A: Covering Letter

Appendix B: Questionnaire

Appendix C: Structured Interview

## **LIST OF TABLES**

Table 1:	Strategic property asset management model
Table 2:	Different levels of management
Table 3:	Age distribution of respondents
Table 4:	Sections from where respondents are drawn
Table 5:	Period of employment
Table 6:	Type of authority held
Table 7:	Unauthorised use of credit and garage cards
Table 8:	Receipt of traffic fines
Table 9:	Involvement in traffic accidents
Table 10:	Insurance of government pool vehicles
Table 11:	Rate of accidents involving government vehicles
Table 12:	Cost of repairs
Table 13:	Responsibility for repairs
Table 14:	Management action
Table 15:	Receipt of subsistence allowance
Table 16:	Knowledge of policy

## **LIST OF FIGURES**

Figure 1:	Age distribution
Figure 2:	Sections from where respondents are drawn
Figure 3:	Period of employment
Figure 4:	Type of authority held
Figure 5:	Unauthorised use of credit and garage cards
Figure 6:	Receipt of traffic fines
Figure 7:	Involvement in traffic accidents
Figure 8:	Rate of accidents involving government vehicles
Figure 9:	Management action
Figure 10:	Receipt of subsistence allowance

## ABSTRACT

The purpose of this study was to undertake an analysis on the management of fleet and both credit and garage cards in the North-West Provincial Department of Transport. This was aimed at determining whether the abuse of the management functions had any relevance to the budget over run of the department.

The literature reviewed for this study revealed that there was need for a strategic property asset management principle to be placed and to be taken account of at the highest level of departmental decision making in order to strengthen the role of the property portfolio. This in turn requires the establishment and development of a sustainable in-house expertise in the application of Strategic Property Asset Management (SPAM) in order to boost future returns from the property portfolio of any organisation. The literature also revealed that effective application of SPAM required the department to set performance objectives, measurable targets and monitoring and evaluation procedures. It also reflected that an innovative property portfolio strategy could add to the bottom line of the department.

The subjects of the study were mainly three sections from the Motor Fleet directorate of the North West provincial department of transport. The population of the study was drawn from the staff members in the Department of Transport and the sample size used was 98. The questionnaires were sent to these sections and this was followed with semi-structured interviews to clarify the issues, which may not have been clear in the questionnaire. The results from the survey were analysed. The study revealed that:

- There was evidence of misuse of government vehicles in the department.
- Garage cards were in use in the department for fuel and other minor parts for government vehicles.
- A few staff members had once before abused the garage card facility at least once.
- There was a credit card facility in place at the department.
- There was no proof of abuse or misuse of the credit card.
- The aspect of over running the departmental budget due to abuse and misuse could not be proved.
- Statistics on accidents and annual budget allocation for the department were not available.
- The property data and information system required for a proactive management such as costs were poorly kept and that the three sections could not provide information or data on various issues because the record keeping was poor.
- The department did not set performance management measures to monitor property assets.

On the basis of the issues identified from the literature and empirical study, the study recommended the following:

- The department should build on existing skills, knowledge and experience to effectively manage property
- Property audits should be used to establish what the department owns.
- Establish performance measures to help in evaluating asset management.
- The department should set objectives and translate them into adaptable goals on fleet management.
- Top management should encourage setting benchmarks for performance regarding cost management to avoid complacency in dealing with property assets.
- A further study is to be done in one year's time to see how the department would have benefited from the recommendations.

# CHAPTER 1

## INTRODUCTION

### 1.1 Orientation and introduction

Most provincial government departments in South Africa are currently faced with a very huge problem of budget overrun (Kaskus: 2002). The main cause of this situation has been unplanned expenditure, which is owed to misuse and abuse of public assets within the confines of individual departments. In almost each and every department, there has been cases of abuse or misuse of public funds, assets or authority, which all culminate into loss of huge amounts of funds or result into extended budgets being incurred by departments. More often than not, several high ranking and junior staff members of these departments have either appeared for disciplinary hearings, dismissed from work or imprisoned in certain instances due to cases related to the abuse and misuse of public assets

Many departments find it very difficult to root out the problem as they are hindered by what has become known as a culture and a way of living for most public servants. In order to tackle and respond more positively to these challenges and problems, it is imperative that innovative public management strategies are adopted and put in place.

The North West Provincial Department of Transport is not exempted from problems being incurred by other departments. One of the problems experienced by this department is that of over expenditure in its budget resulting from misuse and abuse of its public assets. The sector of public assets that has been affected so much by being an easy target by the perpetrators is that of misusing government vehicles specifically facilities like credit and garage cards (Mothlhabi: 2003). This being the case, abuse of authority has also been attributed to loss of public funds, which has led the department into incurring unprecedented expenditures thereby contributing to the budget overrun of the department over the years.

### 1.2 Statement of the problem

Like other departments of the national government, the Northwest Department of Transport is faced with a lot of problems with regards to misuse of government vehicles and abuse of allied facilities like the garage cards and

the credit cards. This problem has adversely affected the running of the department in that the cost of maintaining the vehicles through repair and fuel has escalated. This unexpected or unplanned expenditure has contributed to the rise in the expenditure of the department, which has shot to high levels.

Recently, the law enforcement agencies arrested several senior and junior government officials from different departments who were implicated in various scandals such as corruption, abuse of office, and theft of which some were drawn from the department of transport. According to Rantla: (2002), it was reported that Mr. Mokoena, a senior director at the Department of Arts and Culture was sentenced to 10 years imprisonment with hard labour for abuse of office and corruption while it was also reported that another director from the Provincial Department of Public Works had been suspended for abuse of office. The causes of the over expenditure and the remedy are unknown to the management of the department.

### **1.3 Research focus**

This study focused on the analysis of the management in the usage of government vehicles during and after hours, on weekends and during public holidays. It further examined the effect of management on the usage of garage and credit cards with special reference to the North West Provincial Department of Transport.

### **1.4 Aim and Objectives**

This study was aimed at examining the topic of fleet and asset management in detail and to possibly identify the factors responsible for the abuse and misuse of government property and to try and find potential solutions especially from a management perspective. The researcher's intention was to explore a wide variety of areas which related to this aspect and to investigate the subject matter further. The specific objectives that guided the study in order to achieve the aim were in form of the following research questions;

- (i) What are the current management tools available?
- (ii) What is the management policy in place?
- (iii) What is the effect of management policy on public assets?
- (iv) Does management have the capacity to effectively curb this problem?
- (v) What is the financial cost of the problem to the government?

- (vi) Who are main culprits to the scourge?
- (vii) What possible remedial measures are in place?
- (viii) What are the recommendations for the improvement of the situation?

### 1.5 Rationale of the study

The Provincial Department of Transport in the North West has been cited as an entity, which is incurring very high operating and repair costs on its fleet of government vehicles (Vilakazi: 2003). This has been identified as being caused by employees at both junior and senior levels. This came to light following the discovery that a lot of government vehicles were being used by government employees for non-government related duties after working hours and in certain cases, it was done during working hours. It was also discovered that most vehicles were consuming fuel almost three times the normal allocation per month while the fuel vouchers, garage and credit cards were also found to have been used to refuel vehicles other than those of the department and for the purchase of items other than those prescribed like groceries, alcoholic beverages and clothes instead of fuel and other minor repairs to the vehicles. As a result of those, the Provincial Department of Transport is trying to find means and ways of reducing the cost in the budget, which has reached alarming levels so that operating costs may be kept within the prescribed budget (Luzuko: 1998:4)

Some of the limitations of this study among other things were lack of access to certain very vital information and documents while lack of willingness and co-operation by some key members to this study was a limitation as well.

The following terms are used in this study extensively and therefore require definition.

NWPG	:	North West Provincial Government
Public assets	:	Government Property (vehicles, cards etc)
Government employee	:	Person employed to work in a government department
Misuse	:	Using for what is not intended
Abuse	:	Unauthorized use
Garage card	:	Card used to draw fuel and pay for minor repairs
Budget overrun	:	Expenditure exceeding the budget

## **1.6 Methodology**

The methodology used in this research was the survey type where the use of semi structured and structured interviews was employed. Observations were made, documents were consulted and questionnaires were also completed by a randomly selected sample.

## **1.7 Organisation of the study: Chapters**

The study was organised in the following manner. Chapter 1 contained the orientation and introduction. This is where the readers were given an orientation and introduction of the study. The statement of the problem, the methodology and the rationale of the study were also presented in this chapter. The second chapter presented the literature review. This was where some terms were defined, a theoretical foundation provided and various literature consulted was presented. Chapter 3, presented the research design which incorporated the sampling design, data collection procedures, data collection instruments, data analysis techniques and the summary.

Chapter 4 presented the analysis and interpretation of the results. This was where the data collected was analysed from the tables and other sources and interpreted in order to achieve the aim of the study. The final chapter, chapter 5 presented recommendations of the study and a summary of the findings. Research findings were also included in chapter 5. The references consulted in this study were presented in the bibliography and appendices for some documents used were also presented after chapter 5.

## **1.8 Conclusion**

The chapter presented an orientation and introduction of the study where a wide variety of issues were raised. Chapter 2 focussed on literature review. This is where different forms of literature were consulted in order to build a formidable ground for the study, which in turn provides a basis for the research.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1. Introduction

The purpose of this chapter is to reflect the literature consulted for this study. Literature review is the process by which a researcher reviews and examines various forms of literature on the subject matter and makes an analysis thereof so as to ascertain different views put forward by different writers. It further provides a theoretical foundation of a study so that opinions and hypothesis expressed by writers and scholars are established to formulate a theoretical framework for a study.

#### 2.2. Definitions

The explanation of the terms asset, government, property, garage card, public, management, abuse, misuse and fleet is essential for the purpose of a study and more importantly to underline how effective the management of state assets should be implemented to actualise its objectives.

2.2.1. **PROPERTY:** The Oxford Dictionary, (1988) defines property as something of value, either tangible such as vehicles and land or intangible such as copyrights and money. The dictionary further defines property as land, real estate and money. Sirota (1997: 80) defines property as anything that can be owned. The author further goes on to say that land and all natural and man-made improvements like motor vehicles and money are categorised as property. To own a motor vehicle is not only to possess the physical property but it also includes the acquisition of certain legal rights to its continued peaceful utilisation and redistribution (Millington, 1990: 21). Thus when one acquires a motor vehicle, one also acquires a right of title to the property. These are the rights of use, control, enjoyment, exclusion and disposition.

Hines (1980: 13) also refers to property as interest, benefits and rights inherent in the ownership of real estate or movable assets. The author states that real property is the bundle of rights with which the ownership of the referred asset is endowed. These would include the rights to sell, to give, away, to use, to improve upon and to refuse to exercise any of these rights.

It is therefore fair to infer that property is a multidimensional concept with various interpretations. To some extent, these interpretations could be ascribed to different use and distribution, which also guide the extent to which property is managed. For the purpose of this study, the term property would therefore refer to, motor vehicles, garage and credit cards.

2.2.2. **ASSET:** The Oxford Dictionary, (1988) defines an asset as anything valuable or useful. Property such as money in form of cash, credit card, cheque or bank draft and motor vehicles are therefore seen as assets as these are valuable and useful. Stover (2001: 12) defines assets as resources controlled by a company or government from which benefits are derived. These include cash, inventory, debtors, pre-paid expenses, equipment, buildings and motor vehicles.

2.2.3. **MANAGEMENT:** Several definitions have been assigned to management by different authors and scholars. The Oxford Dictionary (1988) defines management as the technique of, practice, or science of managing or controlling. Follet (1995: 5) defines management as the art of getting things done through other people. The author further defines management as the process of administering and co-ordinating resources effectively, in an effort to achieve the overall goal of the organisation. Effectiveness according to Follet (Ibid) is concerned with how well an organisation achieves its objectives. Efficiency on the other hand is achieved by using the fewest available resources to attain the highest possible output. The fewest resources input in this case could be anything from human, financial, technological through to movable assets like motor vehicles.

According to Allan, (1995) this broad sense, the term management is applicable to all types of business. Undertakings include all aspects of the asset management. The term asset management denotes the management (or administration) of a property to achieve the objectives of the owner of the property. The management may be undertaken by the owner himself or herself, whether the owner is a person, company, government department or any legal entity.

### 2.3. **Theoretical foundation**

As in all deductive approaches to research, it is essential to start by developing a theoretical model of the phenomena of interest prior to discussing its literature (Gill and Johnson, 1997: 42). An attempt has therefore been made to try and introduce the essential, largely philosophical, issues underpinning this study. Theory and practice are interdependent; therefore everyday lives are fundamentally intertwined with theory. It is therefore necessary for science to provide knowledge and theory for the control of nature that says for the prediction and manipulation of future occurrences coupled with behavioural tendencies.

According to Gill and Johnson, (1977), it is theory that builds into a body of knowledge, which helps to understand and cope with events and circumstances in the environment. Theories are all characterised by an attempt to explain observations, where as predictions and expectations might be generated in order to guide practical actions. Theorising could be defined as the process of providing explanations and predictions of social phenomena by relating the subject of interest to some other phenomena. It is a network of hypotheses advanced so as to conceptualise and explain particular social or natural phenomena (Bailey, 1982).

Theory serves as an orientation for the gathering of data since it specifies the type of facts to be systematically observed during experiment or investigation. If the theory is disproved, it will need improvement or reformulation in cases where an investigation proves otherwise.

### 2.4. **Literature review**

Bell, (1993) states that "Any investigation, what ever the scale, will involve reading what other people have written about your area of interest". For the purpose of this study, a number of sources were consulted to contextualise the problem. The following discussion focuses on these sources.

#### 2.4.1 **Beneficial results derived from SPAM**

For the purpose of this study, the United Kingdom and a few sub-Saharan countries were used as examples because of the availability of literature on

strategic property asset management (SPAM) and other management models. According to Allan, (1995) a Chartered Surveyor and Head of property at British Telecom, the application as SPAM in a 10 year restructuring scheme of the company's properties, has resulted in savings of \$500 million a year in property costs. Royal Mail and Woolworth's also achieved savings of millions of dollars over a year in property costs in application of strategic property asset management (SPAM) in a restructuring scheme over a 10 year period. Besides the financial results, another beneficial result is that of efficiency, as property is managed proactively as there would be adequate information needed for decision-making.

#### **2.4.2. Periods when misuse occurs**

In South Africa, in the current wave of rampant abuse of office and misuse of government assets, there is an urgent need to put into place a more vigorous mechanism aimed at ensuring the provincial governments do not over spend their budgets on account of misuse of government vehicles and abuse of allied facilities like the garage and credit cards. It has further been noted that misuse and abuse normally occur during and after working hours, weekends and holidays. Therefore, employing a method through which accountability for the way vehicles and cards are used and also introducing strict control measures to curb the scourge will effectively assist in the control of the departmental spending and the rapid, wear and tear of the government vehicles (Mapili: 1999).

Owing to the statement and rationale of the problem earlier stated, the researcher further examined various forms of literature ranging from newspapers, write-ups, articles from journals previously researched materials, on-line information and government gazettes in order to compile a comprehensive literature review on the matter.

"Misuse", according to the Concise Oxford Dictionary: 1989, is described as the illegal, wrong, improper use or application. The other meanings assigned to the word are the non-authorized way of employing the use of the said item. In this case the misuse of government vehicles and other allied facilities refer to the illegal, improper or unauthorised way of using or deploying government vehicles. It also refers to the unauthorised use of allied services like the

garage and credit cards for the purposes, which are authorised by the competent issuing authority (Transport Policy: Ibid)

#### **2.4.3 Attributes of government fleet**

Government fleet is described as a fleet or a set of vehicles belonging to the public through a particular government department and always bears a special government registration number plate with a departmental sticker to differentiate vehicles belonging to different departments or a label in certain cases. It is worth noting in this particular case that there are certain vehicles which belong to the government but do not possess the above mentioned number plate or a label such as those donated by the community for use by the Police Service or those donated by interest groups for use by the Department of Health or the Department of Public Safety such as ambulances and emergency medical rescue vehicles both at provincial and national levels, (Transport Policy: 1996).

#### **2.4.4 Public versus private sector**

Mingwinji (1998: 4) observes the rate of misuse in the private sector is far below that achieved in the public sector. This is also true when the average number of kilometres travelled per year by a class of government vehicles is compared to that of the private sector. The effect of this in conjunction with a replacement policy based only on mileage covered resulted in Government vehicles wearing out quicker than those in the private sector. Mingwinji (Ibid) states "This further results in an increase in the maintenance costs per kilometre and a decrease in the resale value of the vehicle".

#### **2.4.5. Hi-tech system saves high expenditure**

Luzuko, (1998:4) states that more than thirty million rand (R30m) had been saved from the government's fuel bill over a period of 19 months following a clamp down on fraud using a high – tech fuel management system which currently covers only a fraction of the state fleet. The author states that the technology which was supplied by the Automated Fuel System (AFS) group forms part of the broad state fleet management contract awarded to Wes Bank First. This is a system which uses vehicle identification technology called Omat, which allows smart chips to be embedded in each of the vehicles' fuel tank inlet to communicate with compatible fuel pump nozzles. When the

nozzle is inserted into the tank inlet and activated, data such as the date, time and identity of the vehicle, its odometer reading, quantity and value of the fuel dispensed in the vehicle is downloaded automatically. This transaction happens in such a way that the money is automatically withdrawn from the account of the concerned department. The pump shuts down and halts the fuel dispensation once the nozzle is withdrawn from the tank inlet. This system leaves no chance for theft of fuel or misappropriation of fuel funds because neither the petrol attendant nor the driver are involved in the processing of the transactions as there is no physical exchange of cash involved between the two. A vehicle without the coded chips embedded in its tank may not be refuelled as the pump automatically shuts off the fuel once the nozzle is withdrawn from the chip bearing tank.

#### **2.4.6. AFS critique**

Mumba (2000: 9) states that the Auto Fuel System (AFS) is a very short-term solution to the problem as the invention of the AFS opened another avenue for employees and attendants to innovate other schemes aimed at beating the system. Firstly, it is argued by the society for engineers that the fuel dispensing equipment is very expensive for the ordinary filling stations to install and may only be available to very few selected outlets. The cost of developing individual chips for each government vehicle is also very cumbersome, tedious and a money-wasting venture. Also, the fact that the chips jam the fuel system and cause malfunction of the system once a magnetic field has been introduced and makes it very difficult for the system to operate effectively for a long period of time. Luzuko, (1998: 18) asserts that the Department of Transport would urgently table a "Progressive" list of recommendations to curb the recurring misuse of government vehicles. The author further states that the greater extent of misuse occurs mainly during working hours.

Contributing to the discussion on the use and management of Government vehicles, Simewo (2003:4), quoting the Departmental Policy Document states that the government stance on misuse of state vehicles is such that punitive measures would be taken when a Government vehicle is used irregularly, driven recklessly, negligently or misused. The author further states that the matter was to be viewed in the most serious light as disciplinary action against

the offenders was to be considered, apart from the proceedings which may be instituted in terms of the Road Traffic Act, 1996 (Transport Policy). According to Simewo (1998:25) where a government vehicle is used without authority, the official concerned would be liable for:

- The cost of distance covered, including the drivers tariffs where applicable.
- Where the vehicle is involved in an accident, the cost of repairing any damage occasioned to the vehicle and the amount expended in settling the third-party claims arising out of the accident.

#### **2.4.7. Departmental officials cautioned**

Vilakazi, (2001:56) warned of suspending officials from driving government owned vehicles if;

- In the event of a government vehicle being or having been subjected to flagrant misuse or irregular use. Secondly where positive proof exists that an official is or was guilty of reckless or wilful conduct whilst driving a government vehicle or such vehicle was involved in an accident while so being driven.
- Where the driver has been found guilty of driving such a vehicle or while under the influence of intoxicating liquor or narcotic drugs or;
- While the concentration of alcohol in his/her blood was not less than that prescribed by legislation.

Where the above affects an official, such an official shall immediately be suspended from driving a government vehicle until such a time that the head of the relevant department has decided, in conjunction with the provincial head of transport to permit him or her to resume driving government vehicles. The government motor transport division shall be notified of all suspensions and lifting of such suspensions to prevent the suspended drivers from obtaining a pool vehicle.

Omar (2000) commenting on the efforts by Government to curb misuse of garage cards and abuse of government vehicles states that the introduction of the Auto Fuel System (AFS) has been boosted with a feature which is full proof against officials who defraud the government through petrol expenses. The e-fuel nozzle has been inserted in the opening leading to the fuel tank of the vehicle, the beeper in the pump will beep six times during which time, it is reading the programmed data via the electric chips embedded in the fuel tank and pre-

activated. The Auto Fuel System (AFS) reads the odometer, fuel level and the computer identity of the vehicle being refuelled. When all the data has been verified, it proceeds to refuel the vehicle as per required quantities in order to fill the tank. In an event where the fuel is drained without the vehicle covering any mileage commensurate with the drained fuel, then the AFS will only release fuel equivalent to the covered mileage. If it is refuelled to full capacity and the entire tank is drained, then the nozzle will not open when the vehicle is brought for the second time around as it assumes that the tank is still full through the mileage which is still intact. (Luzuko: 1998)

Regarding the purchase restrictions, Omar (2000), notes that the purchases through garage and credit cards should be limited to immediate requirements of commodities and services essential for the road worthiness, operation and maintenance of the government vehicles. The author states that the purchase of items for the purpose of keeping in stock is not permitted. Only items purchased for immediate use was allowed. Tools, accessories and locking type of fuel tank cap may not be bought under any circumstances.

Motlhabi (NUSADAW: 1988) argues that the measures put in place by the government will instead bring about much suffering and untold misery amongst government drivers. He states that the most hard hit and affected by this measure are the long distance drivers who may find themselves going to parts of the country where the e-fuel system has not yet been introduced. Motlhabi (Ibid) further states that the current configuration of the e-fuel system is that the nozzle can only dispense fuel into a tank that contained chips and that no extra fuel can be dispensed in any other container when the fuel tank is full. The same drivers are further susceptible to very high rate of fair, wear, tear and theft of components including tools thereby enhancing the need for constant purchases of items not covered by garage cards or credit cards. This will therefore make the job of government drivers difficult. The government was further challenged to prove to the people what mechanism and control measures would be used to ensure that vehicles used by top government officials would be subjected to the same scrutiny as pool vehicles used by ordinary workers. With regard to the use of private number plates, this came to light following the discovery of many privately registered government vehicles being found parked at pubs and other social places outside working hours.

#### **2.4.8. Categories of government fleet in Zambia**

Zulu, (2002:5) states that in Zambia, government vehicles are allocated in two categories which are held as either personal-to-holder or ordinary pool vehicles. For personal-to-holder vehicles, a holder is at liberty to use a government vehicle for both personal and official duties even after working hours for non-duty related activities. The only restriction is where a government vehicle is used for personal ventures like ferrying merchandise or being operated as a taxi or a cab. For pool vehicles, there is a much wider restriction as such vehicles have to be authorised by a higher mandated officer and the authority has to be recorded in a log book available in each and every government pool vehicle. Where an employee wishes to use the vehicle for personal errands, authority has to be sought first. As a control measure, Government Traffic Control Officers always conduct patrols to check for authority on Government vehicles and where such authority is not available, the vehicle is immediately impounded.

Mapili (2002) states that misuse or abuse of government assets, especially vehicles and credit cards occur during working hours. The author says that unlike government employees who prefer misusing facilities after normal working hours, many government employees have opted to conduct their escapades during the course of their duties so as not to arouse suspicion from law enforcing agencies who are on the look out for such misdemeanours as they go about doing their normal daily duties.

#### **2.4.9 Distinction between misuse and use within bounds**

There is a very thin line between legally authorised duties and personal tasks which amount to misuse. Wilson, (2003:25) states that if an employee drives a government vehicle to a place without authority regardless of whether or not authority is usually granted for such a trip to the particular destination amounts to misuse. However, if an employee goes or diverts from the normal route with the prior permission of his superiors does not amount to abuse or misuse.

Deckines, (2003:10) observes that as much as junior staff misuse government facilities like motor vehicles and garage cards, the greatest culprits of this scourge are senior management staff whose misuse is normalised by the authority which they possess. This is as a result of the fact that an official in

senior management may have a requirement to undertake a personal errand using government vehicle and instead of going about it without permission, he may authorise the use and the driver may actually execute the task with the confidence that it is part of the official duties while in the actual fact, it may just be a “management” way of misusing a government vehicle. Deckines (Ibid) concludes that control measures being effected merely squeeze the vulnerable junior staff while the biggest culprits, the senior management will be accorded enough room in which to manoeuvre in pursuit of the same quest of misuse and abuse of government facilities.

It must be noted that the terms misuse and abuse of government facilities must be across the board regardless of who the perpetrator is and the scheme used to misuse or abuse the facility.

## **2.5. Reasons for asset management**

As the concept asset is complex and unique, and as asset owners either know relatively little about property principles and practices, or do not have time or desire to manage their properties, management of property has developed as a specialised branch of the asset business (Real Estates College, No date: 5)

If the reason for property or asset ownership is to provide a long-term return on the investment in that property or asset, the objective of the property manager is to ensure that the required return is derived as far as it is in his or her power to do so. If the objective of asset management is for own use or use by others, the objectives of property management is to maintain the suitability of the property for the required use. In both cases, therefore, the objective of asset management is to maximise the net return whilst preserving and enhancing the capital value and future of the subject matter. The return may be variously measured in terms of income growth or capital appreciation or a combination of the two (Millington, 1990: 10).

## **2.6. Functions of asset management**

According to Marity and Ghyoot (1990:145) four levels of management can be distinguished in any business or undertaking;

- **Top or Strategic Management:** This is the level at which planning for the future of the business or undertaking to arrive at the goals of the business is done.
- **Functional Management:** This is the level that takes care of the various functions of the business, like human resource, finance and corporate services.
- **Supervisory Management:** This level is charged with the responsibility of overseeing the work done by others and how efficient it is being done.
- **Self-Management:** This implies the management of a person by oneself and it includes planning, organising, motivating and evaluating one's work.

The school of estate and asset management (1993: 6) assert that there are four levels of asset and public management and these four levels can also be distinguished in public asset management and may be grouped as follows;

- **Portfolio Management** – which is concerned with the formulation and monitoring of an organisation's property and asset strategy so as to achieve overall organisational goals at appropriate level of cost that maximise the asset's value and returns to the organisation.
- **Asset Management:** This is the management of associated activities involved with the implementation and monitoring of objectives with regard to recording, auditing, purchasing and legal rights aimed at meeting the needs of the stakeholders.
- **Facilities Management:** This is concerned with the implementation of the organisational property objectives with relevance to the occupational and physical aspects of the portfolio. It is primarily concerned with the immediate administration and operation of individual premises within the portfolio, but also with the establishment of strategy and standards for the whole portfolio.

## 2.7. Traditional approaches to asset management

For the purpose of this study, it is important to explore briefly the traditional way of managing assets as set out by Avis and Gibson (1995: 15):

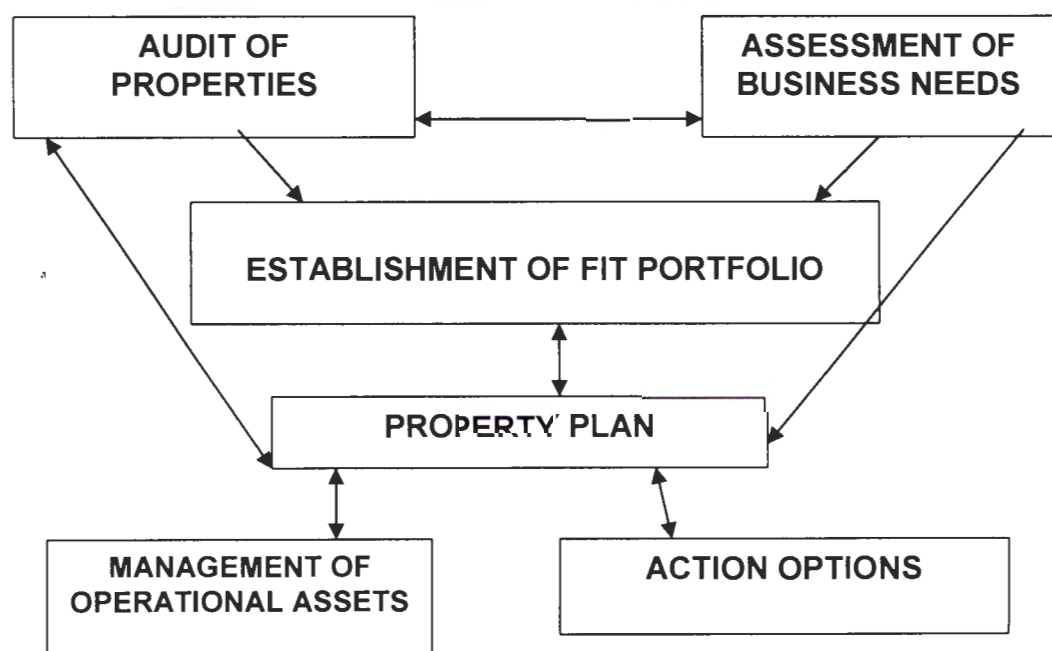
- **Reactive management:** Assets are often managed in a reactive manner. The work is either driven by the short-term requirements of an organisation or by the asset itself.

- Management by crisis: the type of management style that results from a particular crisis at a given time drives this type of management. There is no set model of management to be employed as different crises occur at different times and require different approaches to sort out.
- Lack of performance monitoring – Lack of explicit asset objectives lead to little monitoring of the performance or utilisation of the asset or its management.
- Inadequate Information “ information required in order to make an informed decision is often lacking”.

## 2.8. Nature and scope of strategic property asset management (SPAM)

In contrast to the traditional approaches to managing assets and property, the strategic property and asset management approach is concerned with the formulation and monitoring of an organisation’s property strategy so as to achieve a property portfolio and management that achieves overall organisational goals at appropriate levels of cost, i.e. maximises property value and contribution to the organisation. (School of Estate Management, 1993: 30) A proper strategy for property management must by definition embrace the following components; audit of property, assessment of operations, property plan, action plan and management and monitoring. All these components are interrelated as per figure 1.

Figure 1: Strategic property asset management model



Jones : (1995:24)

In order to assess how well an asset portfolio, or individual property within that portfolio is performing, it is necessary to set a series of targets or indicators as benchmarks for measurement. In the same way that an organisation may spread its risk in terms of investment property by ensuring a mix of both property types and geographical spread, so the risk for an operation can be minimised through careful planning and monitoring of the property portfolio (Nouse, 1993: 58).

Any property audit should be carried out against a clear set of criteria and it is important for an organisation to establish what it wishes to know about its property resources. Some possible considerations for criteria are;

**(a) The collection of assets (Factual)**

- Size of portfolio
- Type of individual asset
- Geographical spread

**(b) Physical**

- Age of the motor fleet
- Mechanical state of the fleet
- Model of the vehicles
- Specialised vehicles or uses.

**(c) Financial Details**

- Capital value
- Cost of maintenance
- Cost of fair wear and tear

(Oxford Brookes University and University of Reading, 1993: 32 and Thorncroft 1965: 4)

A property audit can be carried out to varying levels and degrees and could establish what actual properties exist in the portfolio, their location and size, the value, maintenance and running costs, use restrictions and many such measures. To what level the audit should go is for the organisation to determine. (Oxford Brookes University and University of Reading, 1993: 32)

A pre-requisite of any approach setting out proposals and determining a strategy for a portfolio, is the availability of information. There must be a reliable database sufficient to enable the unit's suitability initially without inspection. The information collected should be sorted out and stored methodically. The basis of strategies will depend on each case upon the pattern of rights, privileges and obligations that are comprised in the estate, and those must be clearly understood if they are to be employed to maximum advantage.

The asset requirements of any organisation will change overtime. If property audits are carried out with the same regularity as strategic business plans are reviewed, then the property portfolio can be developed in accordance with the planned changes for the organisation's activities (John: 1995: 18)

Strategic property asset management (SPAM) should have regard for the needs of an organisation. For example, an insurance company committed to provide pension payments will wish to match its income to actual projections of its commitments in future years. Part of its policy could therefore take account of reversionary investments showing a low return for some years to come. Selection is paramount unless the right decisions are made at investment stage; there is only a limited amount that can be achieved through strategic planning.

## **2.9. Performance monitoring**

Once the strategy has been developed, it must be kept under constant review and if necessary, adapted to internal and external influences likely to affect it. The strategy should not inhibit consideration of unexpected opportunities where the fund is a general one; the question of asset allocation will have been addressed.

According to Avis and Gibson (1991: 39), the first object in measuring the return from a property portfolio is based on a target rate of return on capital for the organisation, adjusted to allow for the nature of risk. The authors state that having measured the property portfolio performance against the company's target rate of return, the second objective is to compare the performance of

the property portfolio with the performance of the property market and similar property owners.

Avis & Gibson, (Ibid) further assert that underpinning any performance measurement system, which is the availability and utilisation of data and information, is its performance monitoring system. This is the base upon which any measure is build.

## **2.10. Summary**

The literature reviewed for this study reveal that management of public assets is both significant and dynamic and should be well managed in order to add to the cost saving measures of the organisation. From this literature review, the following conclusion can be made;

- Setting clear organisational objectives and translating them into discrete asset management objectives and strategy disseminated throughout the organisation or department, is a fundamental prerequisite to the successful application of the SPAM principle in the efficient management of an organisation's resources.
- It is vital to establish at the highest level of the department or organisation, a SPAM portfolio vested in a senior executive. Its strategic focus should be on the purpose for and the manner in which all property is held and the best strategies to follow to ensure that the maximum benefits are derived from the portfolio in question and likewise to the department as a whole.
- Effective SPAM is best achieved by setting performance objectives and measurable monitoring and evaluation procedures. The reviews of the literature demonstrate conclusively that organisations applying the principle of SPAM to real asset management produce better results than those that do not.

The next chapter focuses on the research design. This reflects the methodological framework employed for the study, the sampling design procedures, data collection procedures and instruments, construction of the questionnaire and finally, discusses the administration of the questionnaire.

## CHAPTER 3

### RESEARCH DESIGN

#### 3.1. Introduction

The research design used in this study involved both qualitative and quantitative methods where documents were consulted and questionnaires were administered. Three directorates in the North West Department of Transport were used as units of analysis. All three directorates had assets for utility purposes, one directorate had property and assets for operational purposes while the other two had assets for staff or support services. This chapter commences by discussing the research design, which incorporates the methodology, the techniques and sampling procedures, data collecting instruments and data analysis

The research design that was used by the researcher for the purpose of the current research was a combination of both the qualitative and quantitative methods. This involved techniques such as case studies and surveys. This choice was particularly opted for due to the fact that the type of research being undertaken was that which looked more at social and behavioural tendencies as people behave differently and respond differently when exposed to different circumstances. This was the reason the researcher used both the qualitative and quantitative methods so that most of the different aspects affected by the study could be covered. The other reason the researcher used both methods was that the methods subscribed more to a phenomenological, inductive, holistic, non-subjective, process-oriented, and social anthropological world view in accordance with the views of Cook and Reichardt (1983: 145).

##### 3.1.1. Case study as a methodological framework

The main aim of using a case study was to try and relay the message using events, which had occurred, or those that were still taking place. Bell (1993: 8) states that case studies are particularly appropriate for individual researchers because they give an opportunity for one aspect of the problem to be structured in some depth within a limited time scale.

Bryman (1989: 171) states that a case study can be a site such as an organisation or a department within an organisation. The author further argues that activities can also be viewed as units of analysis in case studies and that a case can also be a person. However, Huysamen (1994: 169) states that the unit of analysis in a case does not necessarily have to be a site, organisation or human (example: individual, family, community) but can also involve personal documents like diaries or letters.

Baldrige (1983: 31) states that a case study is basically an explanatory piece of research carried out in one field setting by utilising a variety of techniques so that a case study researcher is not bound by one method but capitalises on any approach that might unravel a new puzzle. Case studies are directed at the understanding of the uniqueness and the idiosyncrasy of a particular case in all its complexity (Huysamen, 1994: 168). According to the author, there are three aspects to consider when conducting a case study.

Firstly, the case is to be defined or demarcated, i.e. meaningful boundaries are to be determined. In this study, the case was clearly defined as public asset management in the Department of Transport of the North West Provincial Government. Secondly, whichever technique was used for purposes of data collection, the concern was not merely with the description of what was being observed, but to search, in an inductive fashion, for recurring patterns and consistent regularities.

The third aspect under consideration related to triangulation. In view of the fact that the researcher himself administered the research instrument tool, an attempt was made to corroborate the findings in terms of at least three different approaches. In this regard, the study did not use questionnaires only, but also used semi-structured interviews, consulted documents in the department and made observations to gather data.

### **3.1.2. Sampling design and procedures**

Sampling design was one of the most crucial stages of this research process and there were a number of sample techniques, which were open to be used especially in the social science research like the one being undertaken. For the purpose of this study, the design used was the probability sampling

procedure. In view of the current study, as already mentioned; three directorates in the department of transport were identified as units of analysis. The population for this study was staff members in the Road and Safety Directorate, the Fleet and Management Directorate and the Corporate Services Directorate. A sample was derived from these directorates where one hundred randomly selected respondents were chosen in the entire department and drawn from the three directorates. The respondents were issued with questionnaires, which were completed and returned to the researcher for analysis.

The other element was that of consulting documents in the department to ascertain what the trend had been in the past, so that through the documents available, it would be easy to determine the trend in the past with regards to the topic under study.

### **3.1.3. Data collection procedures**

Various data collection procedures were followed. These were structured interviews, questionnaires and case studies. Heads of directorates and other respondents were asked to respond to questionnaires while in certain cases, the use of structured interviews was employed. Further, data was also gleaned from departmental documents and statistical reports available in the department. In order to execute this research, a team of four enumerators and two volunteers knowledgeable in this area of survey research and government regulations on transport was assembled. Two research assistants were used to collect data under the supervision of the principal researcher.

### **3.1.4. Data collection instruments**

In view of the fact that the choice of design was a survey, it was deemed important by the researcher to indicate the type of data collection instruments which were used and these were the case studies, questionnaire and semi-structured interviews. Owing to the fact that the questionnaire and semi-structured interviews were employed as techniques for data collection, it is worth noting that relevant documents were also analysed in order to strengthen the evidence derived from the questionnaires. This also afforded triangulation necessary for validating the findings of the study. Robson (1999: 379) argues that triangulation is an indispensable tool that provides a means

of testing one source of information against other sources. Both the questionnaire and semi-structured interviews were aimed at heads of departments under review and general staff members.

#### **3.1.4.1. Construction of questionnaires**

The questionnaire was meant to achieve the objective of this research and its design was crucial as it had the reason for the validity of the research findings. All questions were presented in a readable and presentable manner. The questionnaire was classified into four categories. The first part sought to find out the status of the respondent in the department, then the second part sought to find out about the department and its view on management of motor vehicles, credit and garage cards. The third element of the questionnaire sought to find out where asset management fitted into the overall departmental structure and its significance. Also included in the questionnaire was the aspect which was to find out how motor vehicles, garage and credit cards were monitored and evaluated in the department. A copy of the questionnaire is attached to this study as appendix B.

The questionnaire was made up of two types of questions, open ended and closed questions. The open-ended questions allowed the respondents to expand further on the subject especially on those points that were likely to be left out when using close-ended questions.

#### **3.1.4.2. Advantages of questionnaires**

Using a questionnaire was found to have several advantages and the following are the advantages as stated by Bailey (1994: 148).

- (i) Considerable savings of money: A mailed study costs far less than an interview study with the same sample size.
- (ii) Time saving: Mailed questionnaires can be sent to all respondents simultaneously and most of the replies will be received within a week or so, while interviews are generally performed sequentially and may take months to complete.
- (iii) The questionnaire may be completed at the respondent's convenience.
- (iv) Greater assurance of anonymity: Since there is no interviewer present who can identify the respondent later, the respondents may be more

willing to provide socially undesirable answers or answers that violate norms.

- (v) Standardised wording: Comparison of respondent's answers is facilitated by the fact that each respondent is exposed to exactly the same wording. However, differential understanding of questions may lessen this advantage.
- (vi) No interviewer bias: There is no opportunity for the respondent to be biased by an interviewer.
- (vii) Securing information: Mailed questionnaires allow the respondent to consult records, confer with colleagues or conduct research before answering.
- (viii) Accessibility: Respondents who are widely separated geographically can all be reached for the price of a postage stamp as compared to the expensive travel costs of the interviewers.

#### 3.1.4.3. Disadvantages of questionnaires

Although this method of data collection seemed to be a cheaper and convenient approach to research, it had its disadvantages. According to Bailey (Ibid) the following were found to be the disadvantages;

- (i) Low Response Rate: In an interview study, the great majority of interviews are successfully completed and the reason for non-responses is generally known. However, mailed studies sometimes receive response rates as low as 10% and 50% is considered adequate. To avoid the low response rate, the questionnaires are addressed to known people and followed up to get 100% response rate.
- (ii) Many questions may remain unanswered: With no supervision while filling in the questionnaire, the respondents may leave some questions unanswered. Thus while 60% of all questionnaires may be returned the researcher might find that only 10% of respondents answered a particular question. In this case semi-structured interviews would be used to get the answers for the questions not answered.
- (iii) No control over date of response: Lack of control over the time the questionnaire is completed can damage a study greatly. To avoid this, respondents will be phoned time and again to be reminded to fill in and return completed questionnaires.

- (iv) Lack of flexibility: With no interviewer present, there can be no variation in questions asked and no probing for more specific answers if the respondent's first answer is too vague or too general to be useful. Also, if the respondent misunderstands the question he or she cannot be corrected.

#### 3.1.4.4. **Administration of questionnaires**

In total, three sets of questionnaires were hand delivered and follow-ups were carried out by telephone and then collected once completed. Networking was very essential in carrying out the survey and was effectively used. Before the questionnaire was distributed, it was pre-tested by using three heads of directorates that were not part of the sample. The purpose of the pre-testing was to ensure that;

- The vocabulary and instructions were simple and clear.
- None of the words were ambiguous
- None of the statements were inappropriate, and
- The attention of the respondents was aimed at the duration of the procedure.

All copies of the questionnaire were accompanied by a covering letter (Appendix A). The letter explained the purpose of the survey and its intentions. It was written in a friendly tone and in a formal manner and this was to help encourage the response rate. Bell (1993:85) states that a good covering letter is ideal and fundamental in stimulating interest and response to the survey, the letters were distributed to randomly selected employees. The covering letter informed respondents that their information was solely used for educational purposes and ensured confidentiality.

#### 3.1.4.5. **Semi-structured interviews**

This method of interview was opted for because it offered insights into participants' perspective and flexibility. Face to face interviews offered the possibility of modifying the researcher's line of enquiry and he (The researcher) stood more chance of obtaining data than when dealing with the posted and self-administered questionnaires. According to Robson (1999: 228), the interview appears to be straightforward and non-problematic in the way of finding things out. However, using interviews to collect information also

placed demands on the researcher such as active listening in order to gain more from such interviews.

### 3.2. **Data analysis techniques**

The data analysis technique used in this study was the non-parametrical statistical technique. This technique was preferred because:

- (i) The observations were independent
- (ii) The tests did not require measurements so strong as that required for parametric tests.
- (iii) The variable under study had underlying continuity.
- (iv) The data under the study was nominal and ordinal to which this test applied.
- (v) The data was of a superior nature in power when it came to considering population distribution.

As most of the data collected was both qualitative and quantitative in nature, survey analysis techniques, including categorical data analysis, were used. Results were presented in tables, charts and graphs depending on the results of the study.

### 3.3. **Summary**

This chapter presented an overview of the research methodology that was employed in the study. A case study was used as a methodological framework. The questionnaire was employed as the main instrument in the collection of data because of its advantages over the others. The next chapter 4 focuses on the analysis of data collected and interpretation of the data collected.

## CHAPTER 4

### ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

The purpose of this chapter is to present the results of the study. The chapter reflects background information and a discussion of the management of government vehicles, and garage and credit cards at three levels;

- Top Management - Level 1
- Middle management - Level 2
- Lower Management - Level 3

The chapter further discusses the findings based on each of the specific research questions which guided the study.

#### 4.2 Background information

The aim of this section is to get the background information of the department's longest planning horizon for its main activities at different levels in the following manner as reflected in Table 1.

**Table 2: Different levels of management**

LEVEL	TERM (Year)
Level 1	5 Years
Level 2	1 Year
Level 3	Daily

The levels of respondents had different years of planning period ranging from one day to five years of overall management strategic plans. The reason for this is that level one is comprised of top management where long term strategic management plans are conceptualised. Level two comprises the middle management level where the implementation of plans formulated by level one occurs. Lastly, level three comprises the general members of staff or the activity level where the plans are actually transformed into action.

The three levels of respondents are of varying influences with level one being at conceptual level where strategic management policies are formulated. Levels two and three are implementers of what respondents at level one formulate. The reason for classifying the respondents into three different categories is to determine the roles of the varying levels with regard to the management of the government motor fleet with its allied facilities like the garage and credit cards.

One hundred questionnaires in total were distributed to different staff members of the Department of Transport and most of the randomly selected participants were drawn from the Motor Fleet Directorate. Further, structured interviews were also arranged for specialised officers who belonged to the following sections; the Accident Section, The Log Sheet Section and the Chief Financial Officer's section.

#### **4.3 The respondents**

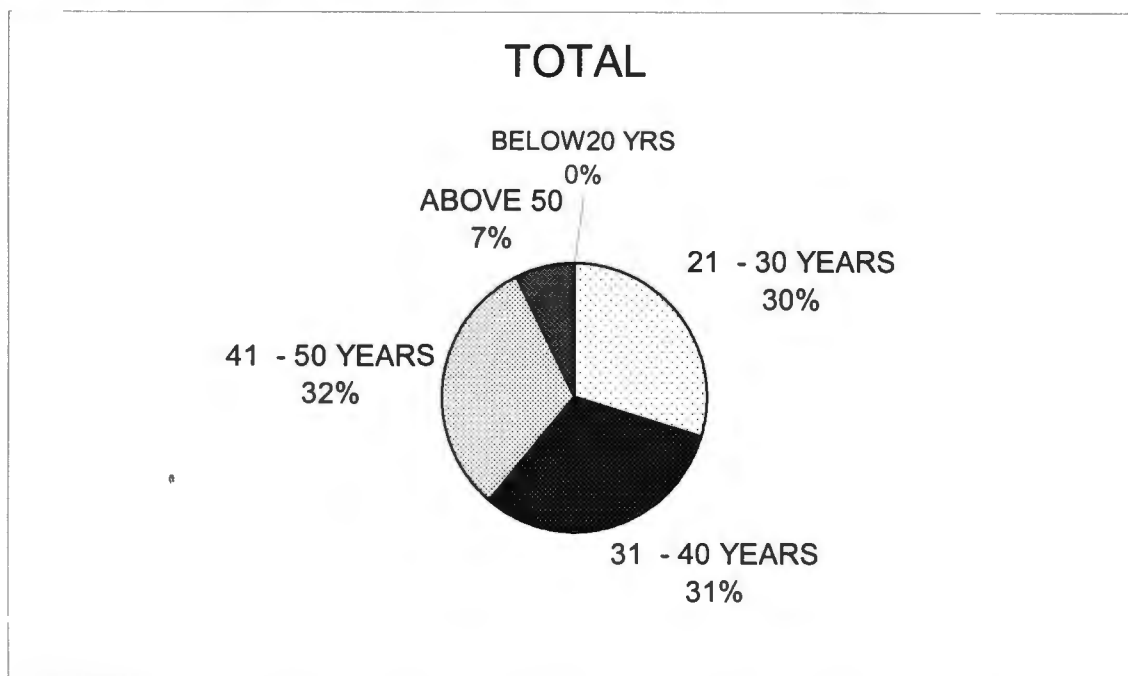
The respondents had a varying management planning scope which ranged from daily activity planning to the five-year management strategic plan. The respondents in the top management category indicated by way of the questionnaire that they were responsible for the long term strategic management plans regarding the management of government fleet and the credit and garage cards through policy conception. Then the level of respondents in the lower management category indicated that they were mostly responsible for the implementation of the strategic plans on a medium and short-term basis with a time period of between one year to three years. This is where the policies or overall strategic plans are broken down into smaller refined work pieces aimed at achieving the overall policy.

The final set of respondents was made up of junior staff members who operate at the activity level. According to the questionnaire, it was indicated that they transformed policies into action. The tables below indicate in detail the way the questionnaire was answered per individual level of respondents. In certain cases, respondents did not have data available where the questionnaire required of them to provide statistical figures and as such, it was recorded as DNA (Data Not Available)

**Table 3: Age distribution of respondents**

AGE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
BELOW 20 YRS	0	0	0	0	0%
21 - 30 YEARS	0	5	24	29	30%
31 - 40 YEARS	2	9	20	31	31%
41 - 50 YEARS	4	12	15	31	32%
ABOVE 50	1	0	6	7	7%
TOTAL	7	23	65	98	100%

**Figure 1 – A: Age distribution of respondents in percentages**



The reason for the data collected regarding the age distribution of the respondents in relation to the topic of the study was to categorise them into age groups to make it easy to determine the age group where most of the aspects being investigated by the study occurred.

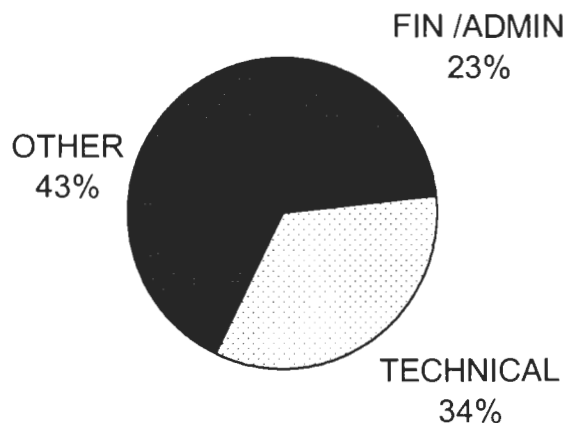
According to Table 2, there was a total of 98 respondents out of which in the category of the level 1, two were aged between 31 and 40 years of age while four were aged between 41 and 50 years and one was aged over 50 years. In the category level 2, five were between the ages of 21 and 30 years of age, nine were between 31 and 40 years while twelve belonged to the 41 and 50 years age group. In the category 3 level of respondents, twenty four were aged between 21 and 30 years of age, twenty were aged between 31 and 40 years of age while 15 were aged 41 and 50 with six were above fifty years of age.

These data were further represented in percentages as per figure 1-A where, 32% represented respondents aged between 41 and 50 years, respondents aged between 31 and 40 years accounted for 31%. Therefore, the majority of the respondents were aged between 21 and 50 years as this age range accounted for 91% of the respondents.

**Table 4: Sections from where respondents are drawn**

SECTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
FIN /ADMIN	1	12	10	23	23
TECHNICAL	0	25	8	33	34
OTHER	0	17	25	42	43
TOTAL	1	54	43	98	100

**Figure 2: Sections from where respondents were drawn**



The information above depicts the sections from where the respondents were drawn. This was done in order to ensure that the study was restricted to the sections referred above as these sections were identified to be the sections where much of the traffic and credit or garage card functions are utilised.

According to Table 4 above, only one respondent from level 1 was drawn from the Finance and Administration section while in the level 2 category, twelve respondents were drawn from the Finance and Administration sections. Twenty-five were drawn from the Technical section while seventeen were from other sections. In the final

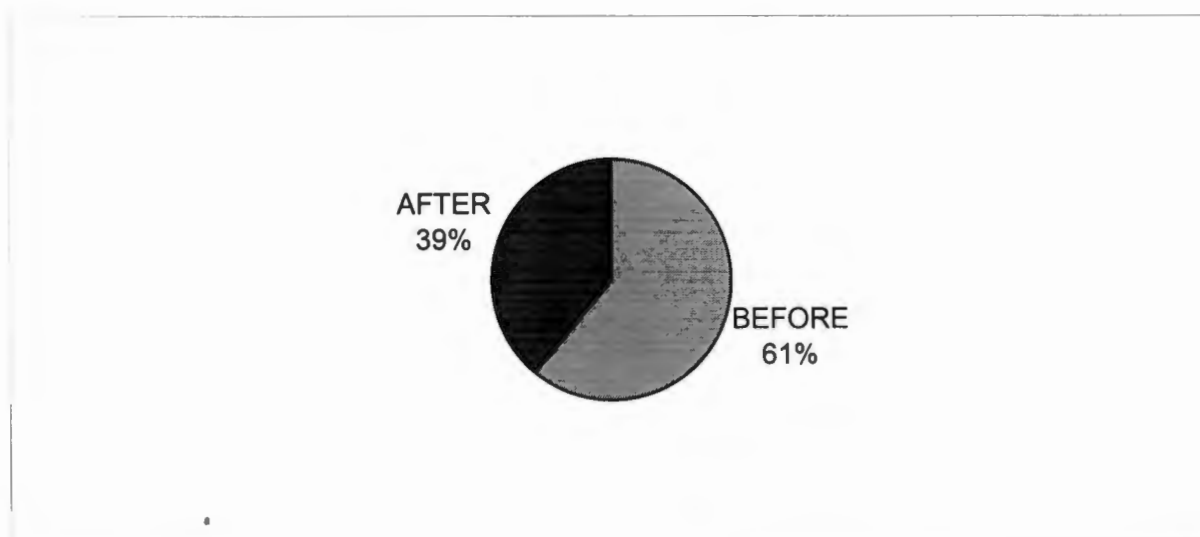
level 3, ten were drawn from the Finance and Administration section, eight were from the technical section while twenty-five were from the other sections.

Expressed as percentages reflected in Figure 2, 23% of the respondents were drawn from the Finance and Administration sections while, 34% represented the Technical section with 43% representing the other sections. Most of the respondents were drawn from the Finance and Administration and the Technical sections, which accounted for 57% in total.

**Table 3: Period of employment in the department**

YEARS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
0 - 5 YEARS	2	11	20	33	34%
6 - 10 YEARS	5	16	17	38	38%
11 - 20 YEARS	0	10	17	27	28%
TOTAL	7	37	54	98	100

**Figure 3: Period of employment in the department**



The data above show the time period in which the respondents have been employed in the department. The reason for this was to ensure that the period of service by the respondents was varied so as to ascertain whether the abuse or misuse was mainly committed by employees that had worked in the department for a very short time or by those who had worked for a very long time.

Table 5 and Figure 3 show the period in which the respondents had been employed in the department. In the category level 1, two said that they had been in employment

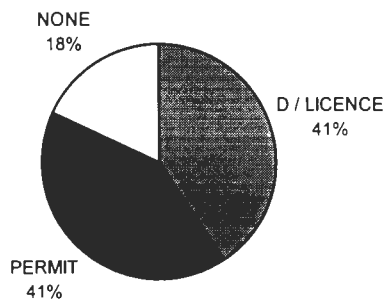
for less than five years and five said they had worked for a period ranging from six to ten years. In the category two level of respondents, eleven had been in the department for less than five years, sixteen said they had been employed for a period ranging between six and ten years while ten had worked in the department for a period ranging between eleven and twenty years. In level 3 respondents, twenty said they had worked for up to five years, seventeen had worked for up to ten years while another seventeen said they had worked for the department between eleven and twenty years.

The results displayed that the majority of the respondents employed in the department were drawn from the second and third levels where they had been employed for periods ranging from under five years to twenty years in the department.

**Table 6 : Type of authority held to drive a government vehicle**

AUTHORITY	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
D / LICENSE	5	36	27	68	41%
PERMIT	5	36	27	68	41%
NONE	0	12	18	30	18%
TOTAL	5	48	45	98	100%

**Figure 4: Type of authority held to drive a government vehicle**



The type of authority held was necessary for the purpose of this study in order to ascertain whether the drivers of government vehicles were in possession of valid drivers licenses and had authority to drive government vehicles by the authority within the department. This assisted in determining whether employees in possession

of valid licenses or those that did not have the authority mainly did the misuse and abuse of government vehicles.

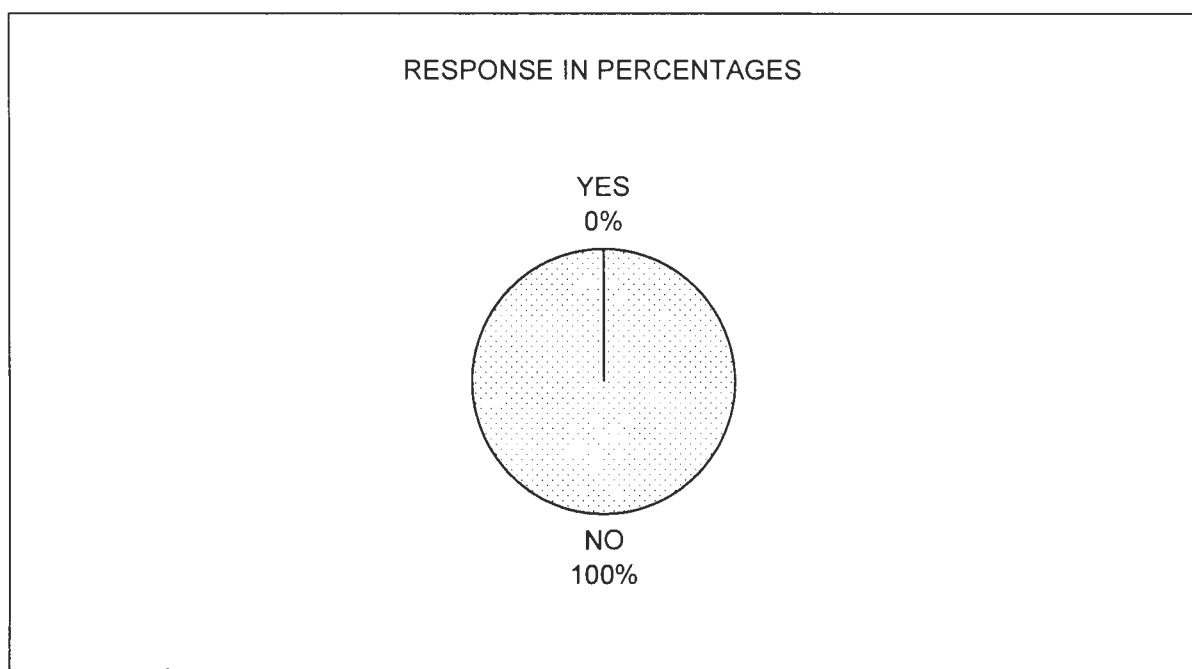
Information in Table 6 show the type of permit or authority held by the various category levels of respondents, which allowed them to drive government motor vehicles. With regards to level 1 category, five possessed both the drivers' licenses and permits while in category 2, thirty-six possessed both drivers licenses and permits with twelve having neither drivers licenses nor permits. In the final category of level 3, twenty-seven had both drivers' licenses and permits while eight had neither of the two.

The data in the above table and figure indicated that in the department, only those who were in possession of valid drivers licenses had the authority to drive government vehicles as all the 82% of the respondents were in possession of drivers' licenses also had permits. The results prove that there is a system in place where only those qualified members of staff are allowed to drive.

**Table 7 : Unauthorized use of credit and garage cards**

RESPONSE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
YES	0	0	0	0	0
NO	1	30	67	98	100%
TOTAL	1	30	67	98	

**Figure 5 : Unauthorised use of garage and credit cards in percentages**



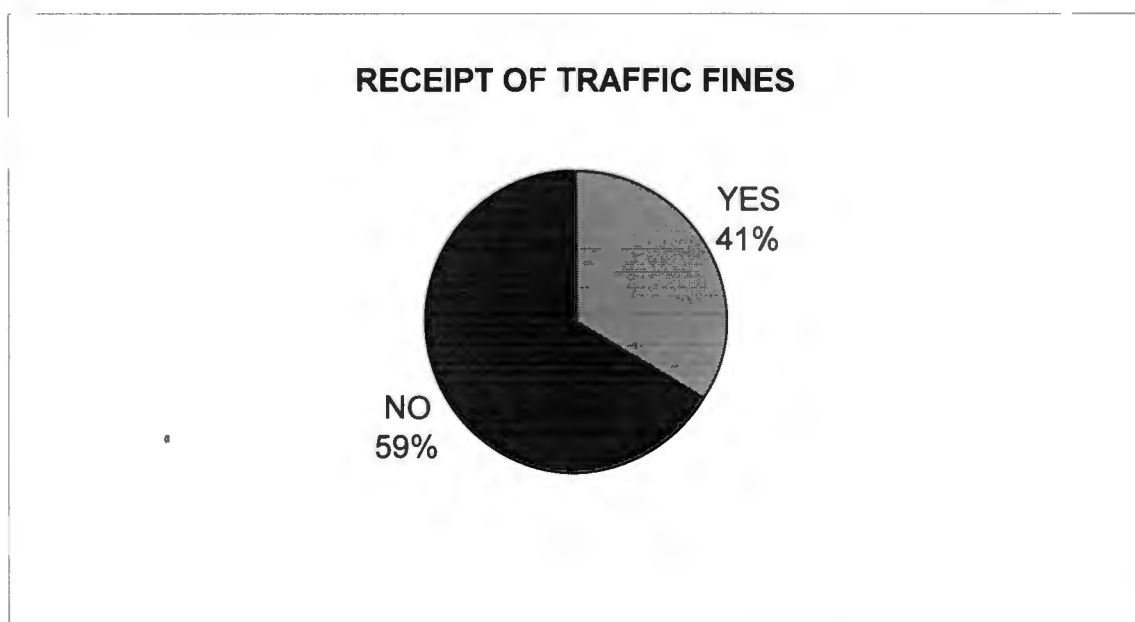
The reason for the statistics in Table 7 and Figure 5 was to find out whether or not some employees had at one time used either the credit card or garage card for a purpose not authorised by the department. The data were aimed at identifying one possible source of the alleged budget overrun in the department unauthorised expenditures which culminate into extended budgets and this was the reason why it was included.

According to Table 7, only one from level 1 respondents replied in the negative with regards to the unauthorised use of credit and garage cards while in level 2 respondents, thirty respondents replied in the negative. In level 3, sixty-seven replied in the negative while no one replied in the positive. The data show that 100% of the respondents said that they had never used the garage or credit cards for purposes not prescribed and therefore this response disqualified the assumption that the over expenditure in the departmental budget was due to unauthorised expenditure on the garage and credit cards.

**Table 8: Receipt of traffic fines while driving a government vehicle**

ANSWER	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
YES	0	15	17	32	41%
NO	1	20	45	66	59%
TOTAL	1	35	62	98	100%

**Figure 6: Receipt of traffic fines while driving a government vehicle**



The data accounted for the receipt of traffic fines while driving a government vehicle was aimed at showing the rate at which government vehicles were driven recklessly to an extent where traffic fines were issued. It was therefore assumed that for a traffic fine to be issued, a traffic offence must have been committed and where such offences were committed, it meant that the vehicle was subjected to use that was not prescribed like dangerous driving or over-speeding.

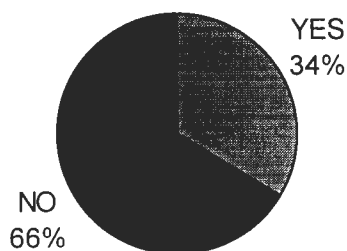
According to Table 8, the response by level 1 regarding receipt of traffic fines, one responded in the negative while in the level 2, fifteen said that they had at one time received a traffic fine and forty-five replied in the negative. As for level 3, thirty-two replied in the positive while sixty-six replied in the negative.

Expressed as percentages in Figure 6, 41% of the respondents said that they had been issued with a traffic fine whilst driving a government vehicle while 59% said that they had never received a traffic fine. The data above show that with 41% of the respondents responded in the positive about receipt of traffic fines. This is evidence that the vehicles were used in a reckless manner, which contributed to a rise in the departments' over expenditure.

**Table 9 : Involvement in traffic accidents**

RESPONSE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
YES	0	12	21	33	34%
NO	1	21	43	65	66%
TOTAL	1	33	64	98	100%

**Figure 7 : Involvement in traffic accidents in percentages**



The data in Table 9 show the response to the question of involvement in traffic accidents. The reason for this was to find out as to which level was most susceptible to traffic accidents in order to ascertain whether employees had at one time been involved in a traffic accident so that the aspect of the department over-running its budget due to traffic accidents is either confirmed or denied. The table also shows the rate at which departmental officials were involved in traffic accidents while driving a government vehicle. According to the data presented by the respondents, in level 1, one responded in the negative whereas in level 2, twelve replied in the affirmative while twenty-one replied in the negative. With regards to the category of respondent 3, twenty-one replied in the affirmative and forty-three replied in the negative as having traffic accidents whilst driving government vehicles.

As reflected in the data above, 34% of the respondents admitted to having been involved in traffic accidents while driving government motor vehicles while 66% said that they had never been involved in traffic accidents while driving government vehicles. This shows that a large percentage of respondents had been involved in accidents before and this could contribute to the increased budget in the departmental expenditure owing to the high cost of repairs.

**Table 10 : Insurance of government pool vehicles**

<b>ANSWER</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>	<b>%</b>
YES	0	0	0	0	0
NO	1	33	64	98	100%
<b>TOTAL</b>	1	33	64	98	

The reason for the inclusion of this question in the questionnaire was to verify whether insurance bore the cost of repairs once an insured departmental vehicle was involved in an accident or whether the department bore the cost when its vehicles were not insured. The aim of this was to verify the source of funds for repair costs and the impact, which the repair costs, have on the departmental budget.

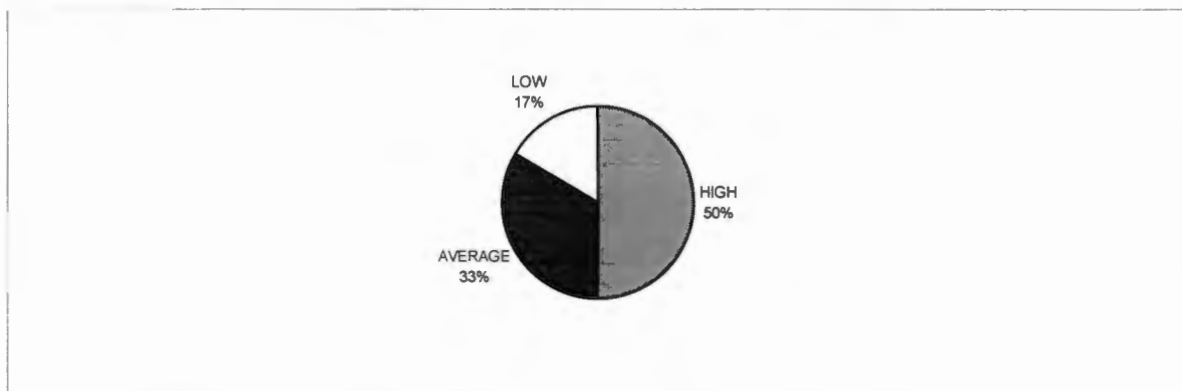
The data in Table 10 show the response to the question of insurance of the departments' pool vehicles. All the respondents across levels replied in the negative and asserted that there was no insurance cover on all government pool vehicles.

According to the results, all the respondents stated that pool vehicles were not insured which meant that in the event of an accident, all the repair costs were to be incurred by the government regardless of the wrong party. This, according to the documents consulted from within the department, was discovered to have an impact on the budget as government would have to source the funds to carry out the repairs.

**Table 11: Rate of accidents involving government vehicles**

RATE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
HIGH	5	4	26	15	50%
AVERAGE	0	3	13	10	33%
LOW	0	12	5	5	17%
TOTAL	5	19	44	30	100%

**Figure 8 : Rate of accidents involving government vehicles**



These statistics were aimed at verifying how often traffic accidents occurred in the department to determine the impact of vehicle accidents on the departmental budget. According to Table 11, there was no response from the level 1 respondents. Regarding level 2, fourteen respondents stated that the rate of accidents involving government vehicles was high while in the same level 2, eight said that the rate was average while seventeen said that the rate was low. In the third level of respondents, 56 said that the rate was high, 25 said that the rate was average while 15 said that the rate was low.

According to the majority of the respondents, the rate of accidents in the department was high as reflected in both Table 11 and Figure 8, which accounted for 50%. This confirmed that there was a likelihood of over expenditure in the department based on the high rate of accidents, as accidents were not provided for when making proposals in the budget.

**Table 12: Cost of repair**

<b>COST OF REPAIR</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
UP TO R2 000	DNA	DNA	DNA
UP TO R5 000	DNA	DNA	DNA
ABOVE R10 000	DNA	DNA	DNA

The reason for the statistics on the cost of repairs was to ascertain the amount which was spent on the repair costs for vehicles involved in traffic accidents and its impact on the budget. According to table 11, all the respondents in the three categories had no data to provide.

This could be compared with responses reflected in Tables 9 and 11 where most of the respondents indicated that indeed accidents were occurring in the department involving government vehicles except that data regarding repair costs and other details were not available. This meant that the department was indeed spending on repairs, which in turn had an impact on the overall departmental budget.

**Table 13: Responsibility for repairs**

<b>RESPONSIBLE</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
GOVERNMENT	DNA	DNA	DNA
DEDUCTIONS	DNA	DNA	DNA
THIRD PARTY	DNA	DNA	DNA
NONE	DNA	DNA	DNA

The purpose of Table 13 was to determine the party that was responsible for the repairs once a government vehicle was repaired following an accident. The reason was to find out the impact of this on the over all budget for the department.

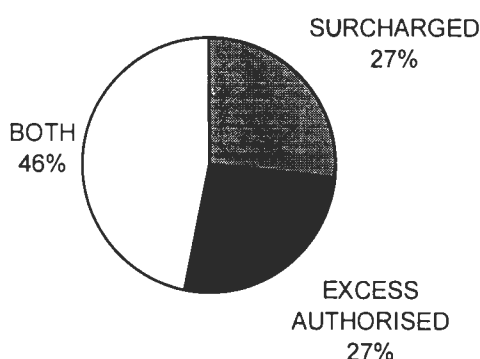
Table 13 shows the responses to the question of who takes responsibility for the repairs of government vehicles when they were involved in traffic accidents. The reason for this question was to determine whether the cost of repairs was the responsibility of the officer driving the vehicle, the third party or that the repairs were carried out at government expense. In view of the above, the respondents had varied answers although the data or statistics to this effect were not available.

The data above reflect that although some government officials remained responsible and were to blame for accidents, data was not available in terms of statistics to be able to determine the exact cost of repairs.

**Table 14 : Management action**

ACTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
SURCHARGED	0	12	14	26	27%
EXCESS AUTHORISED	0	14	12	26	27%
BOTH	0	24	22	46	46%
TOTAL	0	50	48	98	100

**Figure 9 : Management action**



The management action against offenders was aimed at determining whether the action taken against officers involved in the misuse of departmental vehicles and the abuse of credit and garage cards was that which would deter any potential offenders from committing similar offences.

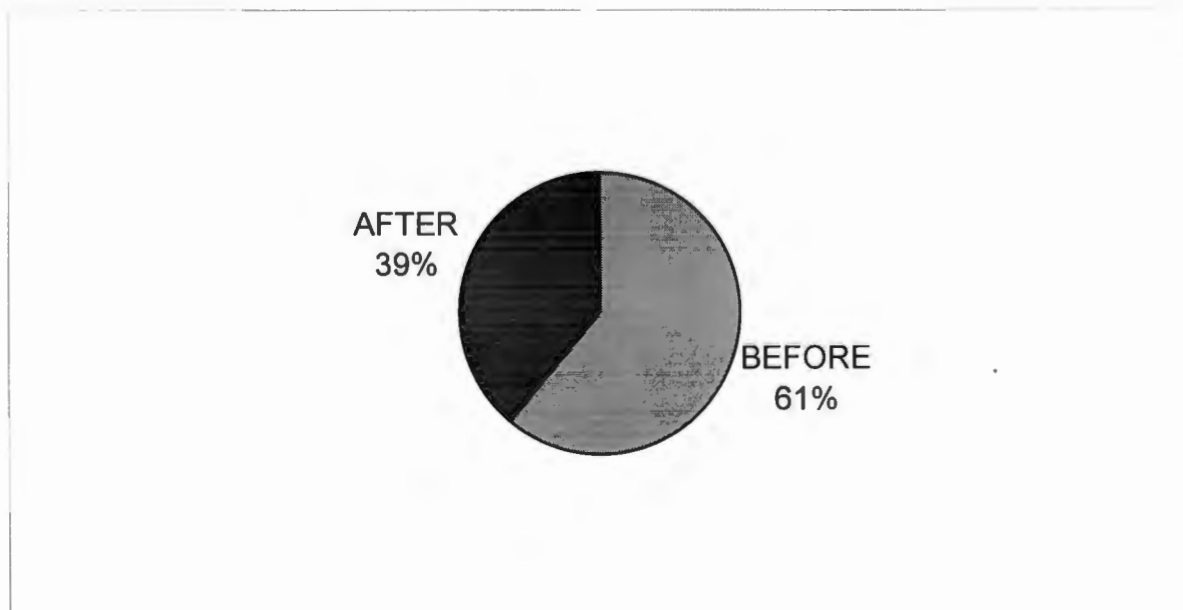
According to Table 14, from level 1 respondents, there was no response. Regarding level 2 respondents, twelve said the offender was surcharged, fourteen said the excess was authorized while twenty-four said that both actions were applicable depending on the circumstances. In the level 3 respondents, fourteen said that the offender was surcharged while twelve said that the excess was normalised by the authorities. Lastly, twenty-two said that both actions were applicable.

The data above show by way of respondents that 27% said that the offender was surcharged and another 27% said that the excess was authorised by the authorities while 46% said that both the actions were applicable depending on the situation. This implies that management action is varied and therefore does not make it punitive or serve as a deterrent to other offenders for the problem to be stopped. This shows that the measures in place are not punitive enough and may contribute to continued offences.

**Table 15 : Receipt of subsistence allowance**

ANSWER	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
BEFORE	10	30	20	60	61%
AFTER	8	15	15	38	39%
TOTAL	18	45	35	98	100%

**Figure 12 : Receipt of subsistence allowance (In percentages)**



The question of receipt of subsistence allowance prompted the data reflected in Table 15. This was to determine whether the employees got their subsistence allowance before or after the trip. The reason for this was to find out whether the employees misused credit or garage cards when they travelled long distances without subsistence allowance in order to survive while out on official duties.

According to the data on Table 15, ten from the level 1 respondents replied that they received the subsistence allowance before the trip while eight said that the subsistence allowance was received after the trip. In the level 2, thirty replied that

they received the allowance before the trip while fifteen said that the allowance was received after the trip. In level 3, sixty said that they received the allowance before the trip while thirty-eight said that they received it after the trip.

The data above showed that 61% of the respondents preferred receiving their subsistence allowance before the trip while 39% indicated that they preferred receiving the allowance after the trip. The response meant that of the 39% who received the allowance after the trip, greater chances of misusing the credit or garage cards existed in the sense that since they were going on trips without the allowance, there was a great likelihood of using the credit and garage cards for personal purposes like food and lodging thereby increasing the department's expenditure on the credit and garage cards.

**Table 16: Knowledge of government policy**

ANSWER	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	%
YES	7	30	61	98	98%
NO	2	0	0	2	02%
TOTAL	9	30	61	100	100%

The data reflected in Table 15 sought to find out whether the employees were aware of the policy so that it could be determined whether offences regarding government vehicles were committed out of ignorance or that they were being committed with the full knowledge of the policy. All the 98 respondents replied in the affirmative to the aspect of knowledge of policy. This result shows that employees in the department know the policy governing the use of government vehicles, credit and garage cards. Therefore it was discovered from the study that employees used government vehicles, garage and credit cards with full knowledge of policy.

**4.4. Management structure**

The purpose of this section was to ascertain where public asset management fit into the overall departmental structure and which groups within the department were responsible for different types of asset decisions.

A management structure of an organisation constitutes the formal way in which people are organised to carryout work in the department. This has a significant impact on how property is managed and who manages it. A variety of different

organisational structures range from centralised or decentralised, regionally based, product based, functionally split or in a series of autonomous bodies each with different structures. Although they are varied, they provide a framework through which an organisation can achieve its goals, objectives and channels of communication through which information flow. The structure of an organisation often reflects its strategy; that is aims and objectives. Therefore, an organisational structure could impede or facilitate efficient and effective delegation, reporting and general communication between staff both within and between different groups or divisions. All the sections or sub-departments in the Department of Transport had in-house property professionals. Though all the sections had in-house property professionals, they had a lot of work to undertake, as they did not have enough information, which is a pre-requisite of SPAM.

The graphic data presented in the tables above, give a broad picture of information that was provided by the respondents. This further gives an insight into the departments' perception of property inventory and management information systems.

#### **4.5. Conclusion**

This chapter reflects a discussion of the background information and then management structure and public asset information. It also discussed and interpreted the results based on the answers given by the respondents to the questionnaire that was provided along with various structured interviews, which were aimed at specific officials. Following the analyses of the data, the next chapter is going to look at the findings of this study and as well as the recommendations of what must be incorporated by the department in order to improve the areas that were found to be inadequate by the study situation based on what this study has found out.

## CHAPTER 5

### SUMMARY OF THE STUDY AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter reflects a summary of the previous chapters and a discussion of the findings based on each of the specific research questions and the recommendations based on the results of the study.

#### 5.2 Summary of the study

Chapter one introduced the study on the analysis of management of public assets in the North West Provincial Department of Transport. It included the background to the study and also provided an orientation to the “An analysis of management of public assets in the provincial department of transport in the Northwest provincial government”. The study sought to investigate the extent to which the department overruns its budget through misuse of transport and the abuse of facilities such as garage and credit cards. The methodology adopted in this case was that of survey where a questionnaire was administered, structured interviews were conducted and departmental documents were consulted. The chapter further gave the statement of the problem, the purpose of the study, the objective of the study, which was the guiding force through out, the research questions and the significance of the study. Research methods and how the study was to be organised was also included in chapter one.

In chapter two, the nature and scope of the management of public assets was outlined from the literature consulted. The chapter defined various terms like property, strategy, government fleet, asset, public and management. The chapter also focused on the functions of property management, reasons for public asset management, approaches to managing assets and how effective strategic property asset management was to be implemented to actualise its objectives.

The literature indicates that there is a need for the strategic property asset management principle to be placed and to be taken account of at the highest level of corporate decision making in any organisation in order to strengthen

the role of property or asset portfolio. This in turn requires the establishment and development of sustainable in-house expertise in the application of SPAM in order to boost future returns from the property portfolio of any organisation. The literature also suggests that effective application of SPAM required organisations to set performance objectives, measurable targets as well as monitoring and evaluation procedures.

Chapter three presented the research design of the study. The study is a survey on the North West Provincial Department of Transport in the North West Province. The questionnaire and structured interviews were the key instruments in the collection of data for the study. The construction of the questionnaire, advantages and disadvantages of a questionnaire and administration of the questionnaire were also discussed.

Chapter four presented an analysis and interpretation of the results from the data collected. The chapter revealed that the respondents were of different professional backgrounds with varying influences on the management and utilisation of government fleet with allied facilities like credit and garage cards.

### **5.2.1. Research Findings**

The following objectives in form of research questions guided the research and led to the findings set out in the succeeding paragraphs.

- (i) What are the current management tools available?
- (ii) Is management policy in place?
- (iii) How effective is the policy on the management of government fleet, credit and garage card use.
- (iv) What is the financial cost of misuse to the government?
- (v) Who are the main culprits?

A total of one hundred copies of the questionnaire were issued to respondents from three different levels and ninety-eight duly completed questionnaires were received from the respondents. The other two prospective respondents did not return the questionnaires as one was on a temporary attachment out of town while the other was on leave and could not be reached. The response rate was fairly high.

The data elicited from the respondents showed that a large percentage of the staff in the department were aged between twenty one and fifty years old and about sixty percent (60%) were drawn from the administration and technical sections. Most of the respondents were found to have been in the employment of the department for a period ranging from five to twenty years. A significant number of the respondents stated that they were in possession of valid driver's licenses and permits or departmental authority to drive government vehicles. It was also noted that a few respondents who did not possess driver's licenses did not have authority to drive government vehicles and consequently were not allowed to drive. In such cases where the respondents were performing duties which required the use of motor vehicles, a driver was provided for that purpose.

With regard to the use of credit cards and garage cards, the data revealed that most of the respondents only had access to the use of garage cards while a few said they had at one time misused credit and garage cards by purchasing items not prescribed for such. Some of the respondents said that they had no access to the use of the departmental credit cards as these were reserved for the senior officials in the department at the level of the Member of the Executive Council (MEC) and the Deputy Director General (DDG).

About 50% of the respondents affirmed that they received traffic fines whilst driving government vehicles while the other half said that they had never received any such fines or traffic tickets. In essence a traffic fine implies that a traffic offence has been committed which is mostly in the form of over speeding, reckless and dangerous driving and other vices which endanger other road users and are tantamount to misuse of the vehicle. At least one third of the respondents said that they had at one time been involved in a traffic accident while driving government vehicles while 75% said no to involvement in traffic accidents while driving government motor vehicles. With regards to the question of frequency of accidents, the response was varied as 60% said that the rate was high, 25% said it was average while 15% said that it was low. Also, the apportionment of blame for the accidents was mainly placed on the third party while a few said the government drivers were to blame with a fraction of the respondents saying that there was no one to blame in most accidents as the occurrence was normal.

In spite of the existence of evidence through the questionnaire that there were a number of accidents in the department involving government vehicles, there were no statistics on the actual cost of repairs, as almost all the respondents did not have statistical data to refer to for a correct record. As such most of them could not commit themselves to any amount with regards to the cost of repairs incurred by the department on the government vehicles. This is the reason the data in Table 12 show that “Data Not Available” (DNA) and the same was applicable on the question of responsibility for the repairs as no data were available.

Most respondents said that when there was an issue regarding misuse, abuse or repairs for the government vehicles, management surcharged officers involved while others said that the excess was authorised and the transaction normalised with others saying that both actions were applicable and dependent on the circumstances under which accidents happened. One hundred percent of the respondents stated that they received their subsistence allowance before going on a trip and all of them said that they were aware of the existence of government policy on the use of vehicles and credit and garage cards. The following discussion focuses on the findings according to the research questions.

#### **5.2.1.1. *What are the current management tools available?***

From the departmental documents reviewed, interviews conducted with stake-holders and responses expressed by the respondents in the questionnaire, it was evident that there is indeed a set of tools for the use of management in the effective management of government fleet and the use of credit and garage cards. Some of the tools identified by the various respondents to the questionnaire are:

- Inspectors
- Log sheets
- Management policy on transport
- AFS system
- E-fuel system
- Authority requirement for all government vehicle drivers.

All the above, were identified to be part of the management tools in place that are in use in the department to ensure that there is effective management of the government motor fleet and the use of credit and garage cards.

#### **5.2.1.2 *What is the management policy in place?***

Regarding management policy, the results indicated that the management policy is in place as evidenced by the response in the questionnaire where 100% of the respondents acknowledged the existence of the policy and indicated that all of them were aware of such a policy. Further, the researcher also confirmed this through the documents made available by the provincial department as two documents were provided. One contained the National Policy on the Management of Government Transport while the second contained a policy on the same but translated from the national policy for the effective management of the provincial government fleet. Therefore, with regards to research question number two, it can be concluded that, a policy document exists in the department and all the staff members have acquainted themselves with.

#### **5.2.1.3 *What is the effect of management policy on public assets?***

The response to the question of the effect of policy is a two dimensional aspect where the study revealed that while it has been effective in some areas, it has been ineffective in other areas. Though all members of staff claimed to be aware of the existence of policy on the management and usage of government vehicles, many respondents seemed to be aware of most of the contents thereof. While the policy emphasises that government vehicles must be driven with the utmost care in the correct manner possible and observing all the traffic regulations, some of the users of government vehicles in the department seem not to adhere to the dictates of the contents of the policy document. It is evident from the respondents that more than 50% of them have once before received traffic fines for various reasons while driving government vehicles. Amongst those who have been involved in road traffic accidents, only a small percentage attributed the

cause of the accidents to mechanical failure as most of them owed it to human error like reckless driving, omission and negligence.

With regards to the use of garage cards, only about 2% of the respondents, most of whom were from respondent category three, acknowledged having used the garage and credit cards for purposes other than the one for which it was issued. This is where food items were added to the bill when purchasing motor oil lubricants.

The overall response in this aspect indicated that it has become increasingly difficult to abuse the garage or credit card because of the newly invented Auto Fuel System (AFS) that uses the e-fuel technology where some electronic chips are imbedded into the fuel tank of government vehicles and data of the said vehicles are entered. Then once a vehicle goes to a garage to be refuelled, a special e-fuel pump is used, the chips will first of all send data to the special nozzle on the pump, which will then transfer the data on to the master computer. Data such as the vehicle registration number, the odometer reading, the level of fuel in the tank, the department where the vehicle in question belongs and the account details of the department. Once such data has been verified, the pump beeps ten times and the quantity of fuel required to make the tank full is discharged and once the tank is filled, the pump automatically switches off and the amount for the quantity of fuel dispensed is automatically transferred to the garage account electronically from the bank account of the department where the vehicle belongs.

It was also indicated by the documents consulted that once all the fuel is drained and the vehicle is taken for refuelling for the second time without covering the necessary mileage which would indicate that the fuel has been used on the trip, the pump will not discharge the fuel as the data will indicate that the fuel tank is still filled. This, according to the respondents has made it difficult to use the garage and credit cards for anything else other than that for which it was issued. It was further indicated that this system is only available to government vehicles and not to subsidised cars.

On the part of the credit card use, most respondents indicated that the facility is not available for use by ordinary staff members as only the highest level in the department mostly uses it. Going by the records available, it was also indicated that there was previously no such case of misuse and therefore it would be justified to conclude that there is no abuse of both credit and garage cards in the department proved by evidence.

**5.2.1.4. *Does management have the capacity to effectively curb this problem?***

With regard to the governments' capacity to effectively curb the abuse and misuse of government assets, the sentiments expressed by the respondents were varied. Some said that the measures currently in place were adequate to discourage this aspect while others said that the control measures in place were not punitive enough to stop the problem as most offenders were not punished enough to send a warning to others.

**5.2.1.5. *What is the financial cost of the problem to the Government?***

The respondents and documents consulted could not reveal much regarding the actual financial cost of the misuse of government vehicles in the department. This was attributed to the fact that in spite of the department having an IT section, the information on the statistics of accidents could not be obtained, as it was not available. Also, the fact that the Department of Transport has a component, which deals with vehicles from other provincial and national government departments, is one aspect that has made it difficult for the department to have the statistics readily available. The study revealed that it was not possible to get statistics of accidents from the Department of Transport as a single department.

With scanty data on the number of accidents, it was difficult to arrive at the actual cost of the accidents to the department. This further implored that with the "In Peri Delicti rule" in place, which states that a driver of a

government vehicle remains liable for it, loses its effect because once one is involved in an accident and the cost of repair has to be recovered from him, information was not available to show the percentage that was being recovered regarding this rule as compared to the repair cost at government expense.

Further, the study also revealed that the government workshop where the vehicles are supposed to be taken for repairs is not being fully utilised. During the researcher's visit to the workshop situated in Mafikeng near the Mmabatho cemetery, only five vehicles were in the garage for minor repairs while a visit to about four different private workshops revealed that there was a total of about seventeen government cars from different provincial and national government departments.

The respondents also stated that the punitive measures in place were not effective to discourage offenders from misusing government vehicles. It was noted that there was need for the punishment of offenders to be stiff so that a lot of staff members desist from misusing government vehicles and abusing credit and garage cards.

#### **5.2.1.5 *Who are main culprits to the problem?***

The study revealed that the main culprits to the misuse of government vehicles were those drawn from category 3. This was so because going by the response to the questionnaire that reflected the situation, most respondents in this category acknowledged having received traffic fines while driving government vehicles and having been involved in road accidents when they were at fault. It can thus be concluded that the main culprits in the misuse of government vehicles are those in the category 3. Some confirmed having driven vehicles under the influence of liquor, taking family members to private functions without obtaining prior authority, reckless driving on the roads and driving without having checked the tyre pressure, water and oil.

#### **5.2.2. The key findings of the study**

The following are the key findings of the study;

- There was no data available to confirm the assertion that the department had over run its budget due to misuse and abuse of government vehicles, credit and garage cards. Therefore, this aspect was left unconfirmed.
- There was a management policy in place for the effective management and use of public assets in the Department of Transport.
- While there was no evidence to suggest that there was misuse of credit cards and garage cards, evidence existed that there was misuse and abuse of government motor vehicles.
- Measures in place were not effective enough to reduce the abuse and misuse of government assets.
- The Provincial Government workshops were not effectively utilised for the repair of government vehicles.
- The IT section was not well organised to effectively respond to the challenges of the department and needed to be re-organised so as to have data of various categories of work readily available.
- The financial cost to the Department could not be ascertained because much of the data was not available.
- The issue of the department overrunning its budget could also not be ascertained as valuable data was not available from the offices where it is kept.

### **5.2.3. Conclusion**

In conclusion, this study has found that the issue of misuse of credit cards in the department is not valid whereas there was an existence of misuse of garage cards by some officials where items not prescribed were purchased before the introduction of the AFS system. While it is true that there has been misuse of government vehicles in the department, the financial cost to the department cannot be ascertained because much of the valuable data was not available to substantiate the aspect of misuse of government vehicles contributing to the high budgetary expenditure in the department. The issue of the department overrunning its own budget could also not be ascertained because statistical data to this effect was not made available to the researcher by the various offices where the data was kept. In essence, strategic property asset management is a complex matter, which requires a full understanding of the public sector environment. It is imperative that all the stakeholders get involved in the affairs of the department and ensure that the policy is well

disseminated understood and practised by all. If this is done alongside the recommendations that have been put forth, it is possible that the gaps identified by the study will be rectified.

In summary, the study focused on the analysis of management of public assets in the Northwest Provincial Department of Transport and its recommendations are that further research into this topic across the department needs to be conducted.

### **5.3. Recommendations**

#### **5.3.1. Recommendation 1**

The challenge facing the department is to build on existing skills, knowledge and experience to effectively manage property assets. This will enable the general members of staff to fully understand and appreciate the management policies in place.

#### **5.3.2. Recommendation 2**

Property audits should be used as a tool to establishing what the department owns. This involves setting up a database, which will give information needed to make strategic management decisions where information such as statistics on the number of accidents per department and the cost of accidents per department should be readily available and accessed in an instant.

#### **5.3.3. Recommendation 3**

Performance measures and guidelines should be established to assist in evaluating public asset management with regards to motor vehicle usage.

#### **5.3.4. Recommendation 4**

Well articulated departmental objectives on government fleet management should be adopted and translated into adaptable objectives, which are fundamental prerequisite to the best practice in property asset management. The same objectives are needed to disseminate the strategy throughout the department.

### **5.3.5. Recommendation 5**

Top management should encourage setting benchmarks for performance not only in terms of effective usage of public assets but also the utilisation of facilities like the government workshops.

### **5.3.6 Recommendation 6**

It is recommended that a further study be done in a year's time to see how the above aspects will have benefited and improved the performance of the department.

## BIBLIOGRAPHY

1. Allan, P. 1995. **Facilities Management and explanation**. Hampshire: Macmillan.
2. Allison, M & Kaye, J., 1997. **Strategic planning for non-profit organizations: A practical guide and workbook**. New York: John Wiley & Sons, Inc.
3. Avis, M. & Gibson, A.V., 1995. **Real estate resource management: A study of major occupiers in the UK**. Wallingford: GTI Specialist Publishers Ltd.
4. Avis, M., Gibson, A. V., & Watts, J, 1991. **Managing Operational Property assets**. Oxford shire: GTI.
5. Bailey, K. D., 1994. **Methods of social research**. New York: Macmillan.
6. Baldrige, J V., 1989. **Power and conflict in the university: Research in the sociology of complex organizations**. New York: John Wiley & Sons Inc.
7. Baum, A., & Schofield, A., 1991. **Property as a global asset**. Reading: Centre for European Property Research Faculty of Urban and Regional Studies.
8. Bell, J., 1993. **Doing your research project**. Buckingham: Open University Press.
9. Broad, M. & Simline, T., 1997. **Property Management, Estate Gamming**. Vol II, December 13, 22 – 23.
10. Cook and Reichardt, 1999. **“Management of asset Portfolios”** Juta
11. Currie, D. & Scott, A. 1991. **The peace of commercial property in the UK economy**. London: Saga Publications.
12. Deckines, B.A **Senior government staff the greatest culprits in misuse of state vehicles** [www.timesofzambia.co.zm](http://www.timesofzambia.co.zm). 13/06/2003: 14h45.
13. Easterby-Smith. M, Thorpe, R. & Lowe, A., 2002. **Management research an introduction**. London: Saga Publications.
14. Follet, J. P. 1995. **Economics of transport management**. 2 Ed. Cambridge Press.
15. Gibson, V. 1994. **Strategic property management: How can universal authorities develop a property strategy in property management**. No. 3, 1994 pp9-14 MCB University Press.

16. Gill, N. and Johnson, K. 1997. **Research theoretical model**. MacDonnell Publishers USA
17. Gordon, W. and Langnard, R. 1988. **Qualitative market research**. A Gower Publishing Limited.
18. Grant R. M. 1993. **Contemporary strategic analysis**. Oxford: Business
19. Harvey, J., 1999. **Economics of real property**. Hong Kong: Macmillan Press Limited.
20. Hines, M. A. 1988. **Real estate investment**. New York: Macmillan Publishing Co. Inc.
21. Hines, P. H. 1980. **Property controversy**. Juta
22. Huysamen, G. K. 1994. **Methodology for the social and behavioural sciences**. Halfway House: International Thompson Publishing (Southern Africa) Pty (Ltd)
23. Johnson, G., & Scholes, K., 1989. **Exploring corporate strategy: Text and cases**. London: Prentice Hall.
24. John, F. **"Dealing with Government Property"**, [www.ausienews.com](http://www.ausienews.com) 10 July, 2001.
25. Kascus, M : 2002 : **Budget speech**. Department of Finance.
26. Leedy, P. D. 1993. **Practical research planning and design**. New York. Macmillan.
27. Luzuko, S.: <http://www.dispatch.co.za/> 1998/01/page4 HTM: 10/06/02 – 10:45 hours.
28. Mapili, K. M. 1999. **Government vehicles misused!** Zambia Daily Mail. 14/14/1999
29. Maritz, N. G., & Ghyoot, V. M, 1991. **The estate agency business**. Kenwyn: Juta.
30. Millington, D. 1990. **Asset ownership theories and management**. West point, USA.
31. Mingwinji, L. 2002. **Effective control of vehicle usage in non-governmental organizations**. Conference paper presentation. [www.gov/transport.org](http://www.gov/transport.org). 10/07/2003 (10:45Hrs)
32. Motlhabi, D. C. (National Union Of South African Drivers and Allied Workers) 1988
33. Mumba, C. 2000. AFS's E-fuel critique <http://nasa.gov.office> 10/02/02 12h20.

34. Nouse, H. 1993. **"The Matrix of Fleet Management"** Oxford Press, London
35. Omar, D. **The rudiments of transport management.** City Press 11 November,2000
36. Oxford Brookes University of Reading. 1993. **Property management performance monitoring.** Reading: GTI.
37. Pearson, K.G., 1988. **Real estate principles and practices.** Columbus Grid Inc.
38. Rantla, T. 2003: **Top official nabbed.** The Mail 10/06/03 vol 4
39. Robson, C., 1999. **Real world research: A resource for social scientists and practitioners.** Oxford: Blackwell Publishers Ltd.
40. Scarret, D. 1993. **Property Management.** USA: E and EN. Spon
41. Seldin, M., 1981. **Real estate investment strategy.** Toronto: John Wiley & Sons.
42. Seymour, S., and Bradburn, N.M., 1983. **Asking questions.** London: Jossey-Bass Limited.
43. Silverman, R.A., 1987. **Corporate real estate handbook.** New York: McGraw Hill Book Company.
44. Simewo, E. **Government warns of stern measures against vehicle mismanagement.** [www.gov/transport.org](http://www.gov/transport.org). 12/05/03 16h25
45. Sirota, M., 1997. **Property management.** Livingston Press. Canberra
46. Strover, G., 2001. **The fundamentals of Finance.** Gaborone. BOCCIM.
47. Thorncroft, M., 1985. **Principles of estate management.** London: The Estate Gazette
48. Vårcoe, B, 1998. **"The six rings of facilities management"** in **Facilities Management Journal.** June 5, 8-10.
49. Vilakazi, P. F. 2002. **Transport policy on Government fleet.** (Budget Speech)
50. Wilson. M.K. 2003. **Boundaries of authority to drive a government vehicle** ([http:// www.google.com](http://www.google.com)) 13/12/03 – 20h39
51. Zulu, G. 2002. **Categorization of government motor fleet** ([www.times.zamnet.zm/14/06/02](http://www.times.zamnet.zm/14/06/02): 09h: 45

**APPENDIX A**

ABEL BENSON LUNGU  
P.O BOX 3629  
MMABATHO  
2735

April 2004

Dear respondent,

**PARTICIPATION IN A RESEARCH STUDY**

The undersigned is a student currently studying towards an MBA (Master of Business) qualification at the North West University and undertaking a research study in partial fulfillment of the course.

You have therefore been randomly selected to participate in this noble exercise as a respondent and please rest assured that your contribution will remain confidential and no inference shall be made to any respondent.

Further, no name shall be linked to any of the contents of the report so that everything remains anonymous.

Thanking you in anticipation and hope that you will return the questionnaire timeously in order that the research process may be expediently completed.

Please find attached hereto a questionnaire for your response.

Yours Faithfully

-----  
**B.A.LUNGU**  
**RESEARCHER**

**APPENDIX B**

**SECTION A**

**BIOGRAPHICAL DATA**

*Please insert an X in the appropriate block*

1. Please insert your name and contact number

Name	Cell / Telephone number

2. Gender

Male	Female

3. Age Group

Below 20 Yrs	21-30 yrs	31-40yrs	41-50 Yrs	Above 50 Yrs

4. In which of the following sections do you belong?

Finance	Technical	Administration	Other

5. In which staff category do you fall?

Top Management	Middle Management	Lower management	Other

6. How long have you been employed by the department?

0-5 Years	6-10 Years	11-20 Years	Over 20 Years

**SECTION B**

**SURVEY QUESTIONS**

1. Are you in possession of a driver's license?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

2. Are you in possession of departmental authority to drive?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

3. Do your duties require you to drive a vehicle?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

4. Have you abused a credit card before? 

Yes	
No	

5. Have you misused a garage card before? 

Yes	
No	

6. Have you misused a government vehicle before? 

Yes	
No	

7. Have you ever been involved in a traffic accident? 

Yes	
No	

7.1. If the answer to question 7 is yes, who was to blame?

You	Third party	None	Both

7.2. What was the cost of repair?

R0-R2000	R2000-R5000	R5000-R10 000	Over R10 000

7.3. Who bore the repair costs?

You	Government	Insurance	Third party

8. Are pool vehicles insured? 

Yes	
No	

9. What is the rate of vehicles misused in your department?

High	Average	Low	Nil

10. At what rate are credit cards abused in your department?

High	Average	Low	Nil

11. At what rate are garage cards misused in your department?

High	Average	Low	Nil

12. Is there policy governing the use of vehicles, garage and credit cards? 

Yes	
No	

13. What action is taken when an official exceeds limit on the cards?

Surcharged	Excess authorised	Both	Nil

14. When do you receive your subsistence allowance when going long distance?

Yes	
No	

COMMENTS:

---

---

---

---

---

Thank you for taking time to complete this questionnaire.

**APPENDIX C**

**STRUCTURED INTERVIEW (CFO)**

1. What is the role of your office in the department?

.....  
.....  
.....

2. What the estimate of your department's annual expenditure?

.....  
.....

3. Has your department ever exceeded its budget in the last 3 years?

.....

3.1. If yes, in which year was the budget overrun?

1999	2000	2001	2002	2003

4. What percentage of the entire budget is allocated to Government motor fleet for your department?

.....

5. What is the expenditure like in Government garages where Government vehicles are taken for repairs?

.....  
.....  
.....

6. What is the cost of repair or right off on damaged vehicles resulting from misuse, omission, negligence or reckless driving to the departmental budget?

.....  
.....  
.....

7. Which directorate incurs the most expenses in the department and why is it so?  
.....  
.....
8. How are credit / garage cards administered in the department?  
.....  
.....  
.....
9. What is the cost of abuse / misuse of garage / credit cards to the department?  
.....  
.....  
.....
10. What are your recommendations with regards to the effective management of Government Fleet and credit / garage cards?  
.....  
.....  
.....
11. How is the management of subsidized vehicles effected in view of unauthorized trips in the department?  
.....  
.....  
.....  
.....  
.....

## **STRUCTURED INTERVIEW (LOG SHEETS)**

1. What are the functions of your office?  
.....  
.....  
.....
2. What impact does your work have on the management of the usage of transport especially in your provincial department of transport?  
.....  
.....  
.....
3. Are you able to determine whether or not the mileage entered in the Log Sheet is for an authorized trip?  
.....  
.....
- 3.1 If yes, how do you deal with cases where mileage covered was for a trip which was not authorized?  
.....  
.....  
.....
4. Are you able to query Log Sheet entries that look suspicious?  
.....
5. Have you ever come across such sheets?  
.....  
.....  
.....
6. What is the rate of co-operation amongst other staff members with your office?  
.....

.....

## STRUCTURED INTERVIEW (ACCIDENT SECTION)

1. What is the function of your office?

.....

.....

.....

2. How many accident reports do you handle on an average in a year?

.....

.....

.....

3. Provide accident statistics for the following years!

1999	2000	2001	2002	2003

4. What is the dominant cause of most accidents?

.....

.....

.....

5. Are there accident cases, which result from negligence, omission, misuse or recklessness?

.....

.....

.....

6. What is the ratio of accidents due to driver error to that of accidents, which occur under normal circumstances?

.....

.....

.....

7. What is the cost of repair?

.....  
.....

8. What is the cost of right off?

.....  
.....  
.....

9. Are all Government vehicles in your department insured?

.....  
.....