

Performance Audit

Managing and Monitoring the State Schools' Transport Service

Report by the Auditor General

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List of Abbreviations

COOP	COOP Services Ltd.
ELSU	Education Logistics and Support Unit
GIS	Geographic Information System
LSA	Learning Support Assistants
MEDE	Ministry for Education and Employment
MEEF	Ministry for Education, Employment and the Family
NAO	National Audit Office
UTS	UTS Consortium

Executive Summary

School transport to and from State schools is a freely provided Government service which benefits Primary and Secondary school students attending compulsory education in the various State colleges all over Malta. The provision of school transport is supplied through five outsourcing service agreements, signed on the 26th September 2011 between the then Ministry for Education, Employment and the Family (MEEF) (through the Directorate for Educational Services) and five individual service providers, namely: COOP Services Ltd (Coop); TDP Ltd; Peppin Transport Ltd; Paramount Garages; and UTS Consortium (UTS). These contracts were signed for an effective period of seven years and therefore collectively expire at the end of the scholastic year 2017/2018.

The Education Logistics and Support Unit (ELSU) within the Ministry for Education and Employment (MEDE) is the Government's entity which is entrusted with the overall management of the service contracts in question, the coordination of the service logistics, together with the monitoring of the suppliers' performance. The individual schools also play an important role in the latter function as they are considered to be the Ministry's extension on the ground, being responsible for monitoring the performance of the school transportation service and reporting back to the ELSU.

In view of the social importance of the service in question, together with its financial materiality (running at a cost of approximately €6.1million per annum), the National Audit Office (NAO) carried out a performance audit to assess three primary considerations, namely: whether the contracts currently *in vigore* adequately safeguard Government's and by implication, the taxpayer's interests; whether the service being provided by the selected suppliers complies with the requirements set in the signed contract; and the manner by which MEDE monitors the service contracts in question.

The following are NAO's salient observations and corresponding recommendations on the above considerations.

Observations

1. Of the more prominent observations emanating from the review of the contract document, it was noted that the contract currently *in vigore*: guarantees payment for a set number of days rather than providing an assurance of a quantified amount of work; stipulates service levels (particularly time related ones) for short routes while failing to bind service providers with similar requirements for long routes; and

projects a sense of excessive leniency towards the suppliers in the event that the latter do not fully achieve the service obligations stipulated in the contract.

2. Throughout the review of the contracts in question, NAO also noted that the overall responsibility for student welfare/supervision is not comprehensively and clearly apportioned between MEDE, schools and the service providers. These gaps, this Office opines, create obvious risks which increase the probability for the occurrence of incidents, such as bullying, absenteeism and other negative behaviour.
3. While NAO is concerned with the fact that long routes are not contractually governed by parameters, this Office further notes parents' assertions (from replies of an administered questionnaire) that transport vehicles pick-up students too early or late in the morning and afternoon respectively in the case of short routes (which routes are contractually governed by earliest permissible student pick-up times). These concerns are further compounded by the fact that, particularly in the case of early morning pick-ups, schools do not have any means to effectively monitor this performance as they do not have any presence at the designated pick-up points. Such a situation may therefore imply that schools would not be in a position to include any such defaulting incidents in the monthly performance report (which reports present an account on the suppliers' performance for the corresponding period), especially in cases in which no complaints would have been submitted by parents.
4. Throughout the replies acquired from the questionnaire administered by NAO to schools, this Office formed a main recurrent concern, namely that not all schools comprehensively include all identified shortcomings in the provision of the school transportation service in the monthly performance report submitted to the Ministry. This Office is further concerned with the fact that the format and manner by which these reports are communicated by the schools to MEDE is not consistent, making it somewhat more laborious for the Ministry to process. While acknowledging MEDE's assertion that it reconciles the received performance reports with any other complaints directly submitted to it, NAO perceives the distinct possibility that certain shortcomings observed by schools would still not successfully reach the Ministry. This, NAO asserts, essentially impairs MEDE's visibility on these occurrences, leaving it unable to enforce applicable penalties.
5. NAO also notes that the most pressing concern cited by both schools and parents (through individually administered questionnaires), gravitated around time related issues. The relatively significant occurrence of such incidents may originate, in NAO's opinion, from two causes. As stated earlier, it could be the case that such incidents are not being comprehensively featured in the monthly performance reports, with the consequence that applicable penalties would not be imposed, thereby possibly incentivising the continuation of defaulting incidents. NAO however also perceives the possibility of the allowable financial penalties not being set at an adequately high level to have a sufficient deterring effect on defaulting service providers.
6. This Office is also concerned with the fact that the majority of responding schools indicated that the responsibility for student welfare during trips lies with the driver. While not contending that drivers retain legal driving responsibilities and the obligation of maintaining good personal conduct, NAO notes that drivers are not contractually responsible to monitor student behaviour during trips. To this end, the schools' perception that the responsibility for overall student welfare during trips lies with the drivers, is incorrect. This, NAO opines, also essentially implies that the responsibility for student welfare is not comprehensively and adequately assigned. This in itself creates additional risk for the occurrence of negative onboard incidents

(such as bullying, false and/or founded allegations made by students/drivers, as well as general student misbehaviour), while creating an ambiguous situation with regards to the shouldering of responsibility in the eventuality of such incidents. This gap in supervision may also increase risks of: overcrowding; students from different routes/schools boarding the vehicle; and unclean vehicles going undetected and consequently unreported.

7. NAO also observed that certain vehicles are used to service more than one route in either mornings or afternoons. Although this practice does not necessarily mean that service levels are not being met by the service providers, this Office opines it may be resulting in undue early pick times in the morning, and prolonged waiting times in the afternoon. This situation, NAO opines, may also give rise to doubts on whether the service providers have sufficient capacity to service the contracts at the best of levels.
8. This Office notes that the current Geographical Information System (GIS) tracking system is a comprehensive tool to monitor the quality of the service being provided against the service levels set in the contract. NAO is however concerned with the operational efficiency of this system, resulting in ELSU Officials having to allocate additional time to operate this system due to its cumbersome method of operation and delays in the extraction of data.
9. While NAO acknowledges the fact that the lack of documented evidence (explaining identified discrepancies between the schools' monthly performance reports and the respective reported payments in the statements of account) does not necessarily imply that trips have not been performed, this Office asserts that such a situation is still unacceptable. The risks emanating from these circumstances are too significant for any comfort as they may induce an environment in which public funds are not adequately accounted for, thereby heavily impinging on the process's transparency.

Recommendations

1. NAO strongly urges MEDE to take due note of the shortcomings identified in the contract document currently *in vigore*, in order to address these in the upcoming new agreement. Particular reference is made to the guarantee of a quantifiable amount of work rather than payment, and the inclusion of defined service levels binding providers irrespective of route distance. This Office further also highly recommends that MEDE takes due care to eliminate the current sense of excessive leniency towards the suppliers in the upcoming agreement.
2. Insofar as the contract document is concerned, NAO additionally urges the Ministry to ascertain that the overall responsibility for student welfare/supervision during the school transportation process is comprehensively and clearly apportioned between MEDE, schools and the service providers.
3. Given that schools do not have physical presence on every individual trip, the GIS tracking system may be relied on more heavily to provide visibility on the performance of every route. NAO however acknowledges that, with the system's current setup, monitoring each and every individual route through this tool will prove to be an arduous task. To this end, this Office recommends that, with the current configuration, MEDE could carry out proactive and random monitoring through a selected sample of routes, so as to increase the probability that such defaulting incidents are detected. NAO however additionally recommends that this proposed process takes second preference over a general overhaul of the tracking system, aimed at automating a more comprehensive monitoring function.

4. In view of the fact that payments and applicable penalties are primarily based on the monthly performance reports submitted by schools, as well as this Office's recurrent concern that not all observed shortcomings in the school transportation service may be reaching the Ministry through this documentation, NAO strongly urges MEDE to revise its approach in communicating the importance of this process to schools, while clearly highlighting that it is the latter's responsibility to ensure that these reports are comprehensively filled.
5. While, as stated in the immediately preceding recommendation, NAO urges MEDE to pursue the comprehensive compilation of the monthly performance reports submitted by schools, this Office also suggests that the Ministry should carry out a review on whether the applicable financial penalties are set at a sufficiently high level to serve as a deterrent to defaulting suppliers. Any determined need for a change in the level of these penalties should be included in the upcoming contract.
6. While recommending that MEDE should ascertain that schools are adequately informed of what are and what are not the suppliers' contractual obligations during the provision of the school transport service, it also urges the Ministry to ascertain that the assignment of responsibility for student welfare during trips is clearly defined. To this end, NAO strongly recommends that the Ministry should enter into discussions with the schools and service providers so as to set a system of adequate student supervision during all stages of the school transportation service, thereby ensuring the best level of student welfare. Such a system should be introduced in practice at the very earliest and contractually consolidated in the upcoming agreement.
7. This Office once again acknowledges the fact that the use of the same vehicle to service more than one trip in either the morning or the afternoon does not necessarily constitute a breach in service levels. Notwithstanding the above however, NAO recommends that MEDE should communicate with service providers to ensure that the latter are deploying sufficient vehicles to service the contract to the best levels, thereby ensuring the reduction of undue waiting times.
8. NAO perceives an opportunity for the Ministry to revise the tracking system's specifications in the upcoming new contract. Specifically, this Office urges MEDE to conduct an internal review of all monitoring functions intended to be processed by this tracking system with the aim of moving towards automation. This would significantly improve the Ministry's control and visibility over the service providers' performance.
9. In view of the gaps in documentation which result in an inability to reconcile all payments effected with actual trips performed, NAO strongly urges MEDE to address this situation at the very earliest. In particular, this Office suggests that the Ministry should explore further utilisation of the tracking system while strengthening its monitoring function through comprehensively compiled monthly performance reports.

While this Office notes that the provision of school transportation service seems, by and large, to be satisfying end users' expectations, NAO cannot conclusively certify that the full value for the funds invested is being achieved due to a number of shortcomings, in both the contract document as well as the Ministry's monitoring function. While NAO acknowledges the fact that the Ministry will continue to face significant difficulties in controlling the service in question due to certain conditions set in the contract currently *in vigore*, it nonetheless strongly urges the latter to commit itself to mitigate these challenges as much as possible. Specifically, this Office urges the Ministry to strengthen its monitoring mechanisms at its

disposal, primarily by: ascertaining that it is adequately staffed; pushing for increased efficiency in the tracking system, possibly through process automation; and making sure that all schools comprehensively fill in their respective monthly performance reports. NAO urges MEDE to see to these measures at the very earliest, while initiating a comprehensive planning process intended at rectifying the identified contractual weaknesses in the upcoming new agreement.

Chapter 1 – Introduction

This introductory Chapter starts off with a contextual backdrop of the subject under review, describing in detail the situation surrounding the school transportation service during the scoped period. The audit’s scope, objectives and methodology utilised to complete the required analysis are also laid out, together with a synopsis for each Chapter in this report.

1.1. Contextual Backdrop

1.1.1. School transport to and from State schools is a freely provided Government service which, amongst others, has benefitted 10,773 Primary and Secondary school students attending compulsory education in the various State colleges all over Malta during the scholastic year 2014/2015. As can be observed in Table 1, a total of 572 routes service ten colleges and special schools in Malta at a cost of approximately €6.1 million per annum¹.

1.1.2. The Education Logistics and Support Unit (ELSU) within the Ministry for Education and Employment (MEDE) is the Government’s entity which, through its assigned Contract Manager, is entrusted with the overall management of the service contracts in question, the coordination of the service logistics, together with the monitoring of the suppliers’ performance. The individual schools also play an important role in the latter function as they are considered to be the Ministry’s extension on the ground. It is important to note that one College can be comprised of more than one school, yet different schools (even if grouped under the same College) are still individually responsible for monitoring the performance of the school transportation service on a daily basis and report back to the ELSU. This schools’ function is performed on a monthly basis through the compilation of school performance reports, which reports, among others, include whether all trips were actually serviced, any early/late pick-ups or drop offs, and any other observations which would reflect on the suppliers’ overall performance. This report is critical in the monitoring process as it is the primary source of information upon which payment (discussed in greater detail in Chapter 4) is based and ultimately effected.

¹ The presented figures refer to Malta only and therefore exclude the school transportation service in Gozo.

Table 1: Colleges and Special Schools Segregated by the Number of Routes and the Number of Students per College

College	Number of Students using School Transport in year 2014/2015	Number of Routes
Maria Regina College (MRC)	2,262	106
St. Thomas More College (STMC)	1,967	80
St. Clare College (SCC)	995	66
St. Gorg Preca College (SGPC)	979	64
St. Theresa College (STC)	1,285	60
St. Ignatius College (SIC)	1,008	50
St. Nicholas College (SNC)	602	42
St. Benedict College (SBC)	744	41
St. Margaret College (SMC)	674	37
Alternative Learning Program (ALP)	257	26
Total	10,773	572

1.1.3. It should be noted that the information presented in Table 1 has been extracted from the Route Register as at May 2015, which shows the total number of students actually making use of the school transportation at the time. It is important to note, that these figures obviously differ from the total number of students who are eligible to make use of this service (that is, students residing outside a 1km radius from the respective school). This database is maintained by ELSU and contains information on all the routes being performed, which include: the number of students being transported; the respective college; pick-up points; distance classification; vehicle category; and Service Provider. The National Audit Office (NAO) noted that while it is still not clear during which year the said routes were originally designed, ELSU however stated that the routes are updated regularly at the start of every scholastic year, with minor tweaks and alterations also being made throughout the year as necessary.

1.1.4. The provision of school transport is supplied through five outsourcing service agreements, signed on the 26th September 2011 between the then Ministry for Education, Employment and the Family (MEEF) (through the Directorate for Educational Services) and five individual service providers, namely: COOP Services Ltd (Coop); TDP Ltd; Peppin Transport Ltd; Paramount Garages; and UTS Consortium (UTS). These contracts were signed for an effective period of seven years and therefore collectively expire at the end of the scholastic year 2017/2018.

Table 2: Category of Vehicles and Service Provision Definition

Route Category	Service Provision	Vehicle Used
A	Small Tail Lift for Mainstream Schools	Services no more than 3 students with special needs in the mainstream
B	Large Tail Lift for Special Schools	Services up to 5 students with special needs in special schools
C	Cabs	Services not more than 3 students with special needs in the mainstream
D	14 Seater Mini Bus	Services up to 14 students
DX	14 Seater Special	Services up to 14 students considered as vulnerable passengers with a door-to-door service within a large perimeter
E	18 Seater Mini Bus	Mini-Bus (capacity of not more than 18 students)
F	36 Seater Coach	Coach (capacity of not more than 36 students)
G	53 Seater Coach	Coach (capacity of not more than 53 students)

1.1.5. The school transport system is categorised into eight service categories (Table 2 refers), each relating to a vehicle type which differs from the others in terms of size, passenger capacity and purpose. As stated earlier, the system operates through a number of designated routes which are apportioned among the engaged service providers (Table 3 refers). Each route is assigned with a number of pick-up/drop-off points from which students board/alight their respective transport vehicles in the morning and afternoon respectively. Each route is furthermore categorised as being either long (covering a distance greater than 4km) or short (spanning within a 4km radius). In total, the school transport network comprises of 183 short routes (32%) and 389 long routes (68%).

Table 3: Number of Routes Assigned per Service Provider

Route Category	Total Number of Routes	Number of Routes by Service Provider	Service Provider
A	11	11	COOP Services Ltd.
B	16	16	TDP Services
C	41	16	Peppin Transport
		25	Paramount
D	170	170	COOP Services Ltd.
DX	23	23	COOP Services Ltd.
E	32	32	COOP Services Ltd.
F	202	202	UTS Consortium
G	77	77	UTS Consortium

1.1.6. As will be explained later in section 1.3 of this Chapter, this study was scoped to review the school transportation service during the scholastic year ending June 2015 as provided by COOP and UTS, being the largest two of all suppliers and consequently allocated with the vast majority of routes. Specifically, COOP is entrusted to provide transport for a total number of 2,120 students spread over 236 routes (Table 4 refers), while UTS services a total number of 8,471 students through 279 routes (Table 5 refers).

Table 4: Contract with COOP, Number of Routes and Students and Daily Cost of the Contract

Contract with Coop		Number of Routes	Number of Students	Contract Daily Cost per Route
Route Category A	Long Route	5	8	€160.07
	Short Route	6	9	€151.97
Route Category D and DX	Long Route	118	1,037	€46.13
	Short Route	75*	622*	€35.03
Route Category E	Long Route	14	155	€55.12
	Short Route	18	289	€48.99

*Includes 23 Routes/150 students assigned to special schools (Category DX)

Table 5: Contract with UTS, Number of Routes and Students and Daily Cost of the Contract

Contract with UTS	Number of Routes	Number of Routes	Number of Students	Contract Daily Cost per Route
Route Category F	Long Route	124	3,109	€89.54
	Short Route	78	2,069	€66.95
Route Category G	Long Route	50	2,134	€98.35
	Short Route	27	1,159	€73.45

1.2. Scope and Objectives

- 1.2.1. This audit was approached with three primary objectives in mind. The first of these was to determine whether the contracts currently *in vigore* governing the school transportation service, adequately safeguard Government's and by implication, the taxpayer's interests. Once this analysis was in hand, the audit team turned its focus to assess whether the service being provided by the selected suppliers complies with the requirements set in the signed contract. Finally, but by no means less important, this audit also examined the manner by which MEDE monitors the service contracts in question, thereby establishing whether the screening systems in place are operating in an efficient and effective manner.
- 1.2.2. As stated earlier, this study is scoped to cover the 2014/2015 scholastic year and is focused on the analysis of the provision of school transportation services by COOP and UTS, as the majority of routes are allocated to these two suppliers. This Office however notes that, despite being largely scoped out, the remaining contracts are still referred to in limited instances throughout the report. The manner by which the contracts governing the school transportation services were awarded was also scoped out, as this is being analysed by this Office in a separate analysis.
- 1.2.3. As noted in the aforementioned three primary objectives, this audit report is aimed at assessing the performance of MEDE's contract management function and the value for money derived from the provided service. To this end, although the payment process through which suppliers are remunerated for the service rendered was included in this analysis, a full financial and compliance exercise was scoped out.
- 1.2.4. Findings presented in this report are as at end of October 2016.

1.3. Methodology

- 1.3.1. This study is the result of the implementation of various methodologies for the collection and compilation of data as well as subsequent analysis. During the initial stages of the audit, the audit team carried out preliminary research by delving into foreign and local reports pertinent to the subject area, media articles, statistical information, as well as relevant legislation and directives.
- 1.3.2. After acquiring a general overview of the issues surrounding the audited area, a detailed issue-analysis exercise was carried out from which the main audit question emerged. Sub-questions were subsequently generated which, when aggregately answered, lead to the address of the primary query. Following this, a comprehensive audit plan was drawn, grounding the audit team's approach to the task at hand.
- 1.3.3. To answer the set questions, the audit team carried out pertinent fieldwork by using various methodologies. One of the principal research tools utilised during the fieldwork stage of this study was a series of in-depth semi-structured interviews with the audited entity. The aim of these meetings was mainly for the audit team to obtain a clear picture of ELSU's '*modus operandi*', as well as its operational environment and challenges. Information from these meetings was corroborated with documentary evidence.
- 1.3.4. The audit team also carried out site visits during morning student drop-offs and afternoon student pick-ups on a selected sample of local schools (one visit in the morning and one in the afternoon for every school) to obtain a first-hand account of 'on-the-ground' considerations governing the audit area. This sample was selected on the basis of school category (that is, either primary or secondary) as well as on each school's student population. The final sample comprised of 6 Primary and 6 Secondary schools, servicing 32% of the overall student population availing of the school transportation service. In addition, the audit team was also present for a demonstration by ELSU Officials on how the tracking system is operated.
- 1.3.5. With schools and students being the primary stakeholders insofar as the service in question is concerned, the audit team devised two questionnaires intended to tap into the perception of each stakeholder on the quality of service being provided. While a detailed explanation on the manner through which these questionnaires were administered can be found in Chapter 3, it should be said that the methodology through which the two stakeholders were approached differed. Specifically, NAO solicited information from all state schools by uploading its questionnaire to an online location and giving access to all intended participants. Conversely, due to the large number of students, a sample had to be taken insofar as administering NAO's questionnaire to parents was concerned. It should also be noted that due to limitation in the contact information, NAO was constrained to administer this latter questionnaire by phone.
- 1.3.6. All information gathering as well as subsequent analysis and triangulation were carried out in-house by the audit team. The draft report presenting NAO's findings, conclusions and related recommendations, was forwarded to the respective auditees for their feedback, prior to the publication of this report.

1.4. Limitations to the Study

- 1.4.1. Throughout the progression of this study, the audit team encountered a number of challenges which somewhat hindered the smooth running of the audit process.

Nonetheless, as far as possible, the team endeavoured to mitigate the effects of these complications on the final report.

- 1.4.2. In addition, NAO acknowledges that in soliciting feedback from parents/legal guardians rather than the student him/herself, meant that in reality, information received from this research tool was provided by individuals who do not themselves avail of the service in question. This, NAO opines, may have contributed to some distortions in the transmitted information.
- 1.4.3. Insofar as the questionnaire administered to service users is concerned, this Office further notes that some of the received replies may have been substantially subjective, particularly fuelled by lack of knowledge and/or unrealistic expectations, while others featured conflicting assertions from the same participant. To this end, while the audit team reported accurate figures when presenting overall breakdowns of replies received, it made use of its professional judgement when analysing this same information and in reaching related audit conclusions. This practice was also applied for the review of complaints received both by schools (which information was extracted from the questionnaire administered to this latter stakeholder) and MEDE.
- 1.4.4. While this Office is pleased to report a highly cooperative and positive working relationship with the audited entity, it nonetheless acknowledges the fact that ELSU was significantly understaffed throughout the progression of this study, with the situation deteriorating considerably at the latter stages of this audit. Even with the full cooperation of ELSU's Head of Department, solicited information was at times significantly delayed as it proved increasingly difficult for ELSU's Officials to find an adequate balance between seeing to their core functions and furnishing NAO with the requested information. This situation invariably impacted negatively on the timeliness of the audit exercise as well as, on occasions, the completeness of the information received.

1.5. Report Structure

- 1.5.1. **Chapter 1** – This introductory Chapter starts off with a contextual backdrop of the subject at hand, describing in detail the situation surrounding the school transportation service during the scoped period. The audit's scope, objectives and methodology utilised to complete the required analysis are also laid out, together with a synopsis for each Chapter in this report.
- 1.5.2. **Chapter 2** – This Chapter reviews the conditions stipulated in the contracts signed between the Ministry and the suppliers, which contracts govern the delivery of school transport services. The review presented in this Chapter is rooted in a detailed analysis of the agreements in question, carried out jointly between NAO and MEDE. This review is also accompanied by proposed revision in the relevant clauses, aimed to pave the way for a better agreement upon expiration of the present contract in June 2018.
- 1.5.3. **Chapter 3** – This Chapter presents findings and observations extracted from results derived from the administration of two distinct questionnaires to all State schools and a representative sample of service users respectively. These questionnaires were aimed at gauging these stakeholders' level of satisfaction with the school transportation service being provided, with NAO also identifying any areas of concern and in turn putting forward a series of recommendations to tackle such issues.

1.5.4. **Chapter 4** – This Chapter assesses MEDE’s management and monitoring function of the contracts for school transportation services, while examining the functionality and suitability of the Geographical Information System (GIS) Tracking System in place, together with the ELSU’s complaint handling mechanism. This Chapter closes off with an overview of the adopted payment process together with a detailed analysis of all payments effected during the scoped period.

Chapter 2 - Contract Review

This Chapter presents the results following a review of the current contracts, signed between the Ministry and the suppliers, which govern the school transportation service. Specifically, this exercise, carried out jointly between NAO and MEDE, imparts the conditions stipulated in the contracts which, in NAO's opinion, weaken the Ministry's position in adequately monitoring and controlling the school transportation service. This review is also accompanied by proposed revisions in the relevant clauses, aimed to pave the way for better agreements upon expiration of the present contracts in June 2018. The analysis and respective proposed revisions of the more salient clauses extracted from the contracts signed between Government and the service providers, are presented hereunder in tabular format.

2.1. Key Observations

Of the more prominent observations emanating from this review, it was noted that the contract currently *in vigore*:

- guarantees payment for a set number of days rather than providing an assurance of a quantified amount of work, diluting the effect of other clauses aimed at penalising low performance;
- stipulates service levels (particularly time related ones) for short routes while failing to bind service providers with similar requirements for long routes;
- projects a sense of excessive leniency towards the suppliers in the event that the latter do not fully achieve the service obligations stipulated in the contract;
- fails to comprehensively assign responsibility for student welfare/supervision between MEDE, schools and the service providers; and
- in the case of the contract governing the service provision by COOP Ltd., the contract allows immunity to non-defaulting parties in cases whereby any one of the latter materially breaches any of the set contractual obligations leading to a termination of the agreement. This implies that, although COOP Ltd. is contracted as one entity, its members can only be dismissed individually, thereby possibly eroding the concept of a unified approach by all parties for a high quality provision of service. This concern is further compounded by the fact that, in the eventuality that COOP Ltd. member is individually dismissed, MEDE is contractually constrained to source alternative arrangements primarily from any one of the remaining members of COOP Ltd. itself.

Contractual Provisions between Government and Suppliers			
Contract Clause No.	Original Clause	Concern	Proposed Revisions
01.1	<p>Under the terms of this Agreement the service provider is to provide school transport services for routes for the scholastic years 2011 / 12 to 2017 / 18.</p> <p>This Agreement shall run for a period of seven (7) years.</p>	<p>The duration of the contract currently <i>in vigore</i> may be somewhat excessive. Among others, it may potentially be serving as a barrier to entry to other suppliers and increasing the Ministry's exposure to risks associated with the development of unforeseen scenarios (such as foregoing cheaper new entrants to the market).</p>	<p>A shorter contract period is considered more appropriate to preserve competitiveness and to minimise risk exposure.</p>
01.3.1	<p>In providing the school transport services for the routes the service provider shall ensure that:</p> <p>(a)(i) Primary school students residing within a distance of four (4) km from their respective school shall not be picked up earlier than thirty (30) minutes before school starts.</p>	<p>The starting point of a route here refers to where the students 'reside'. This is not conformant with how routes are actually measured, that is, from first pick-up point to the respective school.</p> <p>This sub-clause does not include a service level governing routes spanning over a distance of more than 4kms. This situation also implies that, should a route exceed the set distance (4kms), all pick-up points within this route would not be covered by time related service levels. This means that, even pick-up points falling within the 4km range, yet still part of such a longer route, are also not covered.</p>	<p>Given that the actual routes are measured by the distance between the furthest pick-up point and the respective school, reference should be made to these initial pick-up points rather than to where students actually reside.</p> <p>A study should also be undertaken to determine what is considered as an acceptable time related service level for all distances. It is also recommended that such a study explores the possibility of pinning different time related service levels to pick-up points (depending on their individual respective distances from schools) rather than to the overall route.</p>

Contract Clause No.	Original Clause	Concern	Proposed Revisions
(a)(ii)	Students are to arrive not later than five (5) minutes before the commencement of the school day, and not earlier than thirty-five (35) minutes before schools starts.	Given that this clause is numbered as a subsidiary of sub clause 01.3.1 (a), it is not clear whether it is only referring to Primary Students (as in 'a' above) or to all students (secondary included).	This service level should apply to all students. Consequently, for clarity's sake, this clause should not be listed as a subsidiary of clause 01.3.1 (a) but rather stand on its own.
(c)	Primary students are to find their transport waiting for them no later than fifteen (15) minutes of when the school finishes.	This clause only binds the service providers to have their vehicles waiting for students within a particular timeframe, and consequently does not specifically dictate by when should transport set off on the actual trip. This concern is further compounded by the fact that this clause does not set a limit by when students are to reach their respective drop-off point.	Further to the recommendation corresponding to clause 01.3.1 (a) (i) above, it is strongly recommended that the mentioned study should also consider service levels governing the time by which students are to reach their designated afternoon drop-off points. This should be carried out with the aim of ensuring that students reach their destinations within a set timeframe and provide MEDE with adequate authority to control this important service parameter.
(d)	Secondary students are to find their transport waiting for them no later than thirty (30) minutes of when the school finishes.	(Same as above)	(Same as above)
1.3.2	The service provider is not bound under the conditions of 01.3.1 with regards to student transport services:	This is no longer applicable since such trips were phased out and deemed inadequate for minors with students being left unattended without supervision.	Given that interchange system has been phased out, no mention is necessary in future contracts.
(a)	that provide an interchange service;	Routes currently in force require that students are supervised to a certain extent by the parents/driver/school.	

Contract Clause No.	Original Clause	Concern	Proposed Revisions
(b)	where-in the distance from the first pick-up point to the destination is equal to or greater than ten (10) km;	This implies that any routes exceeding this ten (10) km threshold are not governed by any service levels, leaving the Ministry with practically no control on the providers.	It is recommended that, in the case of routes in which the distance from the first pick-up point to the destination is equal to or greater than ten (10) km, set service levels are also applied reflecting the respective distances. Attention is once again drawn to the recommendation for 01.3.1 (a)(i) above that these time related requirements should be applied according to the different pick-up points rather than the overall routes. In addition, this Office further asserts that the application of a maximum allowable waiting time which students have to wait for transport in the afternoon, should in no way be effected by the length of the respective route.
(c)	provided during officially designated half day school days;	Half-day school days are a normal part of a typical scholastic year. To this end, adequate planning can be carried out for this foreseeable situation well in advance insofar as school transport is concerned. To this end, this clause unnecessarily slackens control on the quality of service during this period.	The new upcoming contract should undoubtedly feature service levels which also govern the delivery of the school transportation service during half days.
1.3.3	The service provider is allowed a fifteen (15) minute delay ten (10) times within a scholastic year subject to a justified written request to the Contract Manager.	It is noted that this clause fails to specifically mention the term “approval” by the Contract Manager. In view of this, the mere forwarding of a request may be interpreted as sufficient for the supplier to avail of these delays. This clause is also somewhat too generic by what it interprets as a justified reason for delay.	While it should be made clearer that any justified requests for delays are still subject to MEDE’s Contract Manager’s approval, the clause should also attempt to outline Specifically what may constitute a justifiable reason for such requests to be upheld.

Contract Clause No.	Original Clause	Concern	Proposed Revisions
	<p>Delays arising as the result of Force Majeure – which in the context of this Agreement is defined to mean exceptionally bad weather, major traffic accidents, road works and closure, abnormal congestion, and other natural and weather conditions that render it impossible to deliver a normal transport service - will not be governed by this Paragraph.</p>	<p>It is also noted that the description of Force Majeure is too open (particularly the term “abnormal congestion”) and can be very easily subject to interpretation. This part of the clause in question also fails to outline a reporting and approval mechanism by which an incident can be certified as being caused by Force Majeure or otherwise.</p>	<p>The upcoming new contract should feature an evident effort to better qualify what can be considered as Force Majeure (particularly the term “abnormal congestion”), and consequently quantify how much deviation from the normal set service standards should be allowed. A clear line of authority should also be outlined so that a reporting and approval mechanism is set by which to clearly classify such instances or otherwise.</p>
1.3.4	<p>The service provider may submit a request to the Agreement Management Committee (hereafter referred as the AMC) to consider the amalgamation of routes subject that: . . .</p>	<p>The quoted clause is the only one in the contract which governs the amalgamation of routes (with clause 5.3 highlighting the manner by which payment on these routes is calculated). In view of this, it is not made sufficiently clear in the contracts on whether amalgamated routes are governed by the same performance criteria stipulated in paragraph 01.3.1. Likewise, the contract does not clearly specify any applicable penalties in the event of unauthorised amalgamation of trips.</p>	<p>The upcoming contract should take this issue in consideration, thereby ensuring that adequate and clear provisions (particularly on the actual service levels) are made for authorised amalgamation of trips, while clearly outlining penalties for unauthorised amalgamations.</p>

Contract Clause No.	Original Clause	Concern	Proposed Revisions
1.7	The service provider will pick-up a person designated as an 'escort' from the first pick-up point of a particular route or any other pick-up point agreed between the Directorate and the Service Provider.	NAO notes that the term 'escort' may specifically imply that the person in question is limited to supervising students rather than monitoring the trip overall, including the quality of the service being provided. This Office also notes that the selection of the location from which the individual in question is to be picked up, unduly involves the service provider.	NAO recommends that this individual should not only be assigned to act as an 'escort' to students but also to monitor the service provision as a whole. In addition, this Office opines that the decision from where such a designated individual (assigned with a monitoring role) is to be picked up, should be taken solely by the Directorate.
1.8 (a) (b)	The Directorate guarantees payment for: Transport services to and from mainstream schools for a minimum of one hundred and sixty five (165) school days. Transport services to and from special needs schools for a minimum of one hundred and seventy five (175) school days.	This clause can be interpreted as guaranteeing payment for 165 days, regardless of the performance of the service providers. <i>Same as above.</i> Moreover, the guaranteed number of days in these cases exceeds the average annual number of 172 school days, which themselves include 3 School Development Plan meetings, 2 study days and 1 Parents' Day, with a number of secondary schools allowed a further Parents' day due to their higher student population.	A clear emphasis needs to be made that MEDE will guarantee work rather than payment for a set number of days (which in itself should not exceed the average annual number of school days), while giving leeway on the adjustment of the daily required number of trips, rather than guaranteeing payment itself. It is also imperative that this clause is written in a manner that allows MEDE to impose applicable penalties in the event of low performance by the service providers. <i>Same as above</i>

Contract Clause No.	Original Clause	Concern	Proposed Revisions
1.11	In the event that the Directorate cancels a trip over and above the guaranteed minimum established in Paragraph 01.8 above, the service provider will be compensated at forty percent (40%) of the route price excluding the cost of diesel.	It is noted that this clause makes reference to cancelled trips, which in itself is incompatible with the metric used in the guarantee cited in 1.8 above (i.e. days). This renders the clause impractical to implement and potentially subject to interpretation.	The upcoming contract should feature a metric which is uniform for both what is being guaranteed to the suppliers in clause 1.8 (e.g. days, trips, routes etc) as well as for the calculation of the applicable reimbursement in the event of cancelled service.
1.14	In the event that a route is adjusted during a scholastic year and the number of students on a:	The manner in which this clause is worded renders it ambiguous and unclear as to what it is intended to project.	It is of utmost importance that, in the upcoming contract, all clauses should be clearly worded so as to avoid any misinterpretations leading to the detriment of the quality of the service.
(a)	route that is designated as Category F route falls below nineteen (19) students, responsibility for the said route for that scholastic year remains with the service provider.		
(b)	route that is designated as Category E route increases above eighteen (18) students up to twenty-one (21) students, responsibility for the said route for that scholastic year remains with the service provider.		
1.15	With specific reference to Paragraph 01.14 above, the Directorate may assign such a route in the next scholastic year to the service provider awarded responsibility for the route category with which the vehicle required to service the said route is classified in.	(Same as above)	(Same as above)

Contract Clause No.	Original Clause	Concern	Proposed Revisions
1.16	Where a route is adjusted, a pro-rata amendment in the applicable rates will be effected if the mileage to the schools changes.	Throughout the contract, reference is only made to applicable rates for the provision of either short and long routes (which, as already stated in Chapter 1, are categorised solely on whether their respective distance is less or more than 4kms). To this end, this clause conflicts with these already set rates.	Given that the contract only makes specific reference to applicable rates for short and long distances, this conflicting clause should not feature in the contract document. To this end, in the eventuality that a route is adjusted, amendments to the route price should be solely based on whether the new route is considered as short (within 4kms) or long (exceeding 4kms).
3.2 (b)	The service provider can only operate a vehicle for the purpose of this Agreement if it is licensed to operate under the Passenger Transport Services Regulations (S.L. 499.56) provided that a vehicle: by force of regulations is exempt from the twenty-eight (28) year age limit until 31st December 2014 and that the service provider will substitute, at no additional cost to the Directorate, such vehicles by other vehicles, with the same operating capacity that are licensed to operate in Malta between 1st January 2015 and 5th July 2018.	This sub clause will invariably be outdated by the signing of the new contract and will have to be updated.	To be updated in the new contract.

Contract Clause No.	Original Clause	Concern	Proposed Revisions
(c)	has a fully functioning air-conditioning or air-circulation system.	This clause merely states that the vehicle needs only to be equipped with a fully functioning air-conditioning or air-circulation system, without specifically stating that these need to be utilised, as necessary, during trips.	It should be clearly stated that the air-conditioning or air-circulation system should not only be available on all vehicles but that these should be used, as necessary, during all trips.
(d)	is not open-top.	This clause is somewhat too limited in terms of what is perceived as an inadequate vehicle for school transport.	This clause should be broadened to include not only open-top vehicles, but also double-decked, trackless train, articulated or any other vehicle deemed not adequate for the transportation of minors and/or normal school premises.
8.2.3	A moratorium period of four (4) weeks from the start of the scholastic year 2011 / 12 is introduced with regards to the application of Paragraphs 08.2.2 and 09.1 to allow the service provider to refine and tune-in its operations to the service levels set. <i>(This clause was superseded by an addendum signed between MEDE and the suppliers on 16/05/2012, in which this moratorium period was set to a "specified duration" rather than 4 weeks)</i>	The moratorium period of four weeks is considered somewhat excessive since route details, as well as school start and end times, are agreed upon by MEDE and the suppliers before the start of each respective scholastic year. In view of this, only minor adjustments should be required to fine-tune the service. It is also noted that this clause does not give MEDE leeway to reassign routes and/or categories between the suppliers to address any problems which may surface at the start of each scholastic year.	The upcoming contract should provide a definite and more reasonable grace period following a comprehensive planning exercise while allowing for any reassignment of routes as MEDE deems fit for the proper and smooth running of the service.

Contract Clause No.	Original Clause	Concern	Proposed Revisions
8.3	In the event that an unscheduled service breakdown occurs as a result of an accident or incident that occurred whilst students are transported during a route the service provider is to inform the Contract Manager on whether any injuries occurred, if so, the number of persons injured, and the place of occurrence of the accident.	It is noted that this clause does not specifically determine a timeframe within which the service provider is to inform the Directorate of such an occurring incident/accident.	It is therefore suggested that the new contract should bind the service providers with a set time period within which they are to inform MEDE of any occurring incidents/accidents, while clearly identifying applicable penalties in the eventuality that the service provider does not abide by this obligation.
8.4	Further to Paragraph 08.3 above the service provider is to provide to the Contract Manager a police report and / or supporting documents as established by due process within eight (8) days from when the accident would have occurred.	This clause may be exerting undue pressure on the service provider since the duration of the issuance of a police report is completely out of the supplier's control.	It is recommended that any timeframe enforced in this regard would apply following the issuance of the said police report, and consequently not as from the date of the accident/incident.
9.1	<i>Reference is made to clause 9.1, in which the contract identifies three different performance management criteria against which performance is measured. This clause however applies different penalties according to the level of performance by the supplier (e.g. if the supplier would be registering a performance of between 84% and 80%, a penalty of 5% of the route value is imposed, while no penalty is applied if the provider performs at 85% or more).</i>	This clause is considered unnecessarily complex and one sided in the suppliers' favour. The leniency allowed by this setup may well incentivise an element of slack in the provision of the school transport service, with providers putting their minds at rest of not having to incur penalties on the first 15% of defaulting instances. This situation cushions suppliers and potentially allows them to aim at this lower accepted level of performance rather than aiming to achieve the level and quality of service which was actually agreed in the contract.	It is strongly recommended that, while maintaining the mentioned three performance management criteria as the metrics by which overall performance is assessed, penalties should be made applicable from the first instance of defaulting. In so doing, service providers would be more inclined to strive to supply a service with the level of quality agreed in the contract.

Contract Clause No.	Original Clause	Concern	Proposed Revisions
	<p><i>This clause also stipulates that months of 'good performance' by the providers may be offset against other months in which their performance is not up to the 'required standards' (e.g. if the supplier achieves a performance of 90% [which is 5% higher than the first penalty tier] during one particular month, the 'extra' 5% registered performance can be offset against another month registering 80% performance level. In such a case, the service provider will therefore incur no penalty for either month).</i></p>	<p>Further to the above mentioned leniency, suppliers are also provided with an opportunity to reduce penalties in instances of low performance by offsetting the latter with 'good performance credits', even though such levels would still be below a 100% service quality standard. This clause further compounds NAO's concern as it projects an increased sense of tolerance for lower performance levels.</p>	
9.2 (a)	<p>For the Directorate to be in a position to effectively monitor the performance of the service provider vis-a-vis the service levels established in this Agreement the service provider will provide: either online access to the service provider's vehicle tracking system to the Directorate; or</p>	<p>As will be discussed in greater detail in Chapter 4, the online vehicle tracking system tracks vehicles by their respective registration number. To this end, the mere access to this system (as cited in sub-clause 'a') or the provision of information (as cited in sub-clause 'b'), without contractually binding the service provider to inform MEDE of the registration numbers of each vehicle servicing each route, greatly dilutes the efficiency and effectiveness of this tool. This concern is further compounded in the eventuality of unscheduled service breakdown which would necessitate the use of a substitute vehicle. Moreover NAO is concerned with the fact that this clause essentially implies that the provision of access to this tracking system is optional, with sub-clause 'b' as its alternate arrangement. This Office further notes that this contradicts clause 9.3 (presented below), which implies that access to this tracking system is to be given on a compulsory basis.</p>	<p>It is very difficult for MEDE to reliably monitor all school transport routes without the registration number of all respective vehicles servicing these same routes, both in using the online tracking system and through any other provided information. It is therefore imperative that the new contract should specifically necessitate that the service providers furnish MEDE with this information in a timely manner. Moreover, NAO strongly recommends that online, real-time, access to the tracking system by the suppliers to MEDE should be a contractual obligation and not merely an option.</p>

Contract Clause No.	Original Clause	Concern	Proposed Revisions
(b)	<p>information in intelligible form that will be made available to the Contract Manager both as a formatted report as well as tabular data file which may be manipulated by the Contract Manager in order to confirm compliance or otherwise with the Performance Management Criteria with regards to information such as:</p> <ul style="list-style-type: none"> - Time of first pick-up point on a designated route; - Time of last pick-up point on a designated route; - Average and Maximum Speed of driving on a designated route; - Actual length of journey across a designated route; and - Location of vehicle on a designated route. 	<p>This sub clause fails to clearly indicate a timeframe by which service providers should supply the mentioned information to MEDE.</p>	<p>While once again stressing the importance of MEDE receiving this information within a stipulated timeframe, it is also suggested that the new contract indicates that the system of information as outlined in sub-clause 'a' is preferred over that outlined in sub-clause 'b'. To this end, the option outlined in sub-clause 'b' should only serve as a contingency in the event that the online vehicle tracking system experiences any technical difficulties rendering it inoperative.</p>
9.3	<p>The service provider will provide access to the vehicle tracking system on the following schedule periods:</p> <p>all school days</p> <p>0645hrs to 0900hrs</p> <p>1340hrs to 1605hrs.</p>	<p>It is noted that the afternoon time bracket in which the provider is obliged to provide access to the tracking system to MEDE, does not cover school end times during half days.</p>	<p>In view of the importance of continuous monitoring by MEDE throughout the scholastic year, it is advised that the time brackets in which MEDE is to be provided access to the tracking system, are extended to adequately cover all school days, including half days.</p>

Contract Clause No.	Original Clause	Concern	Proposed Revisions
9.4.1	<p>The Directorate will contribute a part sum of the cost that the service provider will bear to introduce a GIS vehicle tracking system subject to the following conditions:</p> <p>The maximum amount to be contributed by the Directorate towards this cost is €100,000 annually over the term of the agreement; which contribution is to be apportioned amongst the service providers on the basis of the routes assigned to each service provider for the scholastic term 2011/12 as shown in Paragraph 05.2.1 above. The apportionment of this cost contribution is attached in Annex V.</p>	<p>NAO notes that the financial contribution due by government with regards to the maintenance of the GIS tracking system, has been allocated as per the routes for the scholastic year 2011-2012 but was not kept in line with the number of routes in subsequent scholastic years.</p>	<p>It is recommended that the upcoming contract should feature a mechanism enabling an annual revision of the contribution apportionment aligning this to the number of routes allocated to each supplier at the start of each scholastic year.</p>
11.1	<p>The service provider on the 15th of every month for the term covered by this Agreement shall submit a pre-invoice for that particular month that covers 75% of the estimated cost of the service provided during that month.</p>	<p>Paying 75% of what is due every month to the supplier without any verifications and assessments on the service provider's performance, may promote a slack in performance by the latter due to peace of mind that the majority of payments due are secured.</p>	<p>It is suggested that a study is carried out to by MEDE determine whether the portion comprising this part payment should stand at 75% or be lowered to incentivise further positive performance by the service providers.</p>
11.2	<p>The Directorate on the receipt of the pre-invoice will pay on account the estimated cost of service for the said month.</p>	<p>This clause fails to clearly indicate a credit term for this monthly part payment.</p>	<p>It is recommended that a specific credit period for this part payment to be effected is clearly cited in the new contract.</p>

While the above observations and recommended amendments apply horizontally across the two reviewed contracts, the following clause can only be found in the agreement between COOP Ltd. and the then MEEF. The below tabulation outlines NAO's concern and proposed revision to this particular clause.

Contractual Provisions between Government and COOP			
Contract Clause No.	Original Clause	Concern	Proposed Revisions
12.3.1	<p>Unless the breach is remedied by the defaulting Party within ten (10) working days from the notification as per Article 12.2, the other party shall have the right to consider this Agreement terminated:</p> <p>Provided that, should the defaulting party (member of COOP) contest this decision, it shall have the right to refer the matter to arbitration and this Agreement shall remain valid and applicable in respect of the defaulting member of COOP until the said agreement is declared terminated by a final decision rendered by the arbitration Tribunal or by a court of law (in the event of an appeal) even if the service of that defaulting member of COOP would have been for any reason whatsoever suspended. Until the final decision is delivered. Directorate reserves the right to provide the transport service provided by the defaulting member of the COOP only in order not to disrupt the provision of an essential service of school transport;</p> <p>The Parties furthermore agree that the right of Directorate to provide alternative transport arrangements referred to above applies only and exclusively in respect of the service provided by the defaulting member of the COOP and does not apply to the other members of COOP who would be providing a service up to the standards set forth in this agreement. The Directorate shall strive to source the alternative transport service from COOP itself through another member of COOP who shall not, however, be the defaulting member.</p>	<p>The manner by which this clause is presented gives room for the different members of COOP Ltd. to work independently from each other, rather than promoting a unified drive towards a common service, since a default in service by one member does not pose liability on the others. This goes directly against the principle through which different members of one entity should make up for any breach committed by any other member. Such a clause may create confusion and a significant reduction in the quality of the service rendered in the event of such incidents.</p> <p>This Office further notes that the manner by which this clause is worded renders it ambiguous and subject to interpretation.</p> <p>In addition, this clause is somewhat restrictive on MEDE, hindering it from seeking adequate alternatives (that is, other than COOP Ltd. itself) in the event of shortcomings in the provision of service by any member of COOP Ltd.</p>	<p>Any service provider should be held completely accountable for any defaults in the provision of service, regardless of whether the supplier is made up of one, or multiple entities. To this end, and in view of the significant repercussions on the quality of service that this may pose in the event of a defaulting incident, an arrangement of the sort is considered contrary to good practice.</p> <p>NAO once again strongly urges MEDE to ensure that all clauses in the upcoming contract are clearly worded so as to avoid confusion.</p> <p>In view of the above recommendation, it is important that MEDE should not be restricted on where to seek alternative transport arrangements in the eventuality that all recourse actions permitted by the contract have been exhausted with no positive outcome.</p>

2.2. Other Considerations

Throughout the review of the contracts in question, NAO noted that the overall responsibility for student welfare/supervision is not comprehensively and clearly apportioned between MEDE, schools and the service providers. These gaps, this Office opines, create obvious risks which increase the probability for the occurrence of incidents, such as bullying, absenteeism and general negative behaviour. In view of this consideration, NAO recommends that such gaps are thoroughly addressed in the upcoming contract through the clear and comprehensive assignment of responsibilities in all aspects of the school transportation service.

This Office is also concerned that the contracts governing the current provision of school transportation services, do not stipulate conditions in the event that engaged suppliers sub-contract these services to third parties. This concern is further compounded when one considers the sensitivity of this service in question (that is given the involvement of minors as end users). NAO opines that this situation leads to government having reduced visibility and control in the event that the service is provided by such third parties. To this end, this Office urges the Ministry to include adequate considerations to this effect in the upcoming new agreement.

Chapter 3

Questionnaires on Schools' and Parents' Perceptions

Chapter 3 - Questionnaires on Schools' and Parents' Perceptions

This Chapter presents NAO's conclusions and recommendations based on results derived from the administration of two distinct questionnaires to two of the primary school transport service stakeholders, namely all State schools and a representative sample of service users. These questionnaires were aimed at measuring these stakeholders' level of satisfaction with the school transportation service being provided, while also identifying any areas of concern.

3.1. Questionnaires' Findings

- 3.1.1. State schools and service users are discernibly two principal stakeholders when it comes to the evaluation of the school transportation service provision. With a first-hand experience in the operations of this service, school officials and end users are in a considerably advantageous position to provide informed feedback on the quality of the school transportation service being provided. To this end, two separate questionnaires were devised by NAO, each to be administered to one of these two stakeholders. Although delivered individually, the value of these exercises increased when the findings from both studies were jointly analysed, yielding common concerns and observations.
- 3.1.2. Each of the two questionnaires was categorised in a number of sections, intended to comprehensively capture the perception of each relative stakeholder on the service being provided. Each of these sections in turn comprised of a dedicated and comprehensive series of considerations, which collective analysis provided NAO with sufficient grounds to reach its overall conclusions and recommendations. Specifically, one of the two questionnaires aimed to gather schools' perception on considerations such as: Route Planning and Coordination; School Transport Management; Identified Concerns on Service Provision; Student Welfare During Trips; Communication with the Ministry; Rating Levels; and Changes Recommended by Schools themselves. On the other hand, the questionnaire intended to gauge parents' perception delved into issues which include: Morning Trips; Afternoon Trips; Vehicle and Driver Details; Complaints; and Overall Performance.
- 3.1.3. Detailed findings extracted from the administration of these two questionnaires, together with the methodologies adopted by the audit team for this study, can be found in Appendices A (Schools' Perception) and B (Parents' Perception). It is however important to note that, through this exercise, NAO observed that, after a somewhat troublesome but short settling down period at the start of each scholastic year, the

State school transportation service generally satisfies end user expectations. Despite this result, this Office identified a number of prevailing concerns which persist throughout the effective service period. NAO's conclusions and recommendations on these identified issues are presented in the following parts of this Chapter.

3.2. Conclusions

- 3.2.1. This Office acknowledges the claims made by a significant number of parents that the service providers miss trips (both in the morning and afternoon, with the former being more prominent) at a rate of between one to five a year. While NAO observes that extraneous factors could have influenced these replies (such as students themselves getting late to a pick-up point in the morning or students failing to board the vehicles in the afternoon), it perceives obvious concern in the eventuality that trips would have been indeed missed by the service provider.
- 3.2.2. While, as already mentioned in Chapter 2, NAO is concerned with the fact that morning long routes are not contractually governed by parameters which set the earliest permissible student pick-up times, this Office further notes parents' assertions that transport vehicles pick-up students too early or late in the morning and afternoon respectively in the case of short routes (which routes are contractually governed by earliest permissible student pick-up times). These concerns are further compounded by the fact that, particularly in the case of early morning pick-ups, schools do not have any means to effectively monitor this performance as they do not have any presence at the designated pick-up points. Such a situation may therefore imply that schools would not be in a position to include any such defaulting incidents in the monthly performance report (discussed in greater detail in Chapter 4), especially in cases in which no complaints would have been submitted by parents.
- 3.2.3. This Office also takes note of the claims made by a small number of responding parents, stating that children wait unsupervised for transport outside schools premises in the afternoon. NAO, through its site visits carried out on a selected sample, did not identify such occurrences and notes MEDE's claims that such supervision is always provided. Nonetheless this Office understands parents' concerns if such a practice indeed occurs (albeit unbeknown to the Ministry) in certain schools, as such a situation may pose considerable health and safety risks to students.
- 3.2.4. Throughout the replies acquired from the questionnaire administered to schools, NAO formed a main recurrent concern, namely that not all schools comprehensively include all identified shortcomings in the provision of the school transportation service in the monthly performance report submitted to the Ministry. This Office is further concerned with the fact that the format and manner by which these reports are communicated by the schools to MEDE is not consistent, making it somewhat more laborious for the Ministry to process. While acknowledging MEDE's assertion that it reconciles the received performance reports with any other complaints directly submitted to it, NAO perceives the distinct possibility that certain shortcomings observed by schools would still not successfully reach the Ministry. This, NAO asserts, essentially impairs MEDE's visibility on these occurrences, leaving it unable to enforce applicable penalties.
- 3.2.5. Further to the immediately preceding point, NAO notes that the most pressing concern cited by both schools and parents, gravitated around time related issues. Although it was observed that schools' replies in this regard are not aligned with complaints received from parents' (Specifically, while the two stakeholders individually cited both defaulting incidents in their respective questionnaires, it was noted that parents

were more concerned about late afternoon pick-ups, while schools were more predisposed to highlight early morning drop offs), the fact remains that time related defaulting incidents remain most prevalent. The relatively significant occurrence of such incidents may originate, in NAO's opinion, from two causes. As stated earlier, it could be the case that such incidents are not being comprehensively featured in the monthly performance reports, with the consequence that applicable penalties would not be imposed, thereby possibly incentivising the continuation of defaulting incidents. NAO however also perceives the possibility of the allowable financial penalties not being set at an adequately high level to have a sufficient deterring effect on defaulting service providers.

- 3.2.6. From the questionnaire administered to the parents, NAO noted that a significant portion of these respondents who lodged complaints directly with schools, claimed that their concerns remained largely unresolved. On the other hand however, this Office further notes that this performance fared better when complaints were lodged directly with the Ministry. This feedback comfortably aligns with MEDE's assertion (point A.34. in Appendix A refers) that, unlike the Ministry, schools do not have sufficient deterring capacity to effectively resolve all presented issues. To this end, NAO is concerned that it may be the case that schools, for some reason or another, are not consistently forwarding received complaints to the Ministry, but rather attempting to resolve issues themselves with limited success.
- 3.2.7. NAO notes that the channels through which drivers are informed of any changes to routes are not clearly defined, and vary from one case to another. This concern, NAO notes, could emanate from a broader concern on the quality of the overall communication between stakeholders. Such a situation may obstruct important information from being successfully and consistently transmitted, possibly to the detriment of the quality of the service being provided.
- 3.2.8. Further to the immediately preceding point, NAO additionally notes that a significant portion of responding schools failed to confirm that drivers are adequately informed of all pick-up points along their designated route, which may imply that no monitoring from the schools' part in this respect is carried out. The fact that these schools were not in a position to verify this information could possibly lead to gaps in the monitoring function which may in turn result in an inaccurate evaluation of the suppliers' performance in the monthly billing function.
- 3.2.9. NAO also notes the conflicting assertions between schools and MEDE on whether the former have adequate access to an updated route register. This divergence, NAO opines, may indicate a glitch in the communication between these two stakeholders in this regard, which could potentially have a negative impact on the schools' monitoring function.
- 3.2.10. This Office is also concerned with the fact that the majority of responding schools indicated that the responsibility for student welfare during trips lies with the driver. While not contending that drivers retain legal driving responsibilities and the obligation of maintaining good personal conduct, NAO notes that drivers are not contractually responsible to monitor student behaviour during trips. To this end, the schools' perception that the responsibility for overall student welfare during trips lies with the drivers, is incorrect. This, NAO opines, also essentially implies that the responsibility for student welfare is not comprehensively and adequately assigned. This in itself creates additional risk for the occurrence of negative onboard incidents (such as bullying, false and/or founded allegations made by students/drivers, as well as general student misbehaviour), while creating an ambiguous situation with regards to the shouldering of responsibility in the eventuality of such incidents. This

gap in supervision may also increase risks of: overcrowding; students from different routes/schools boarding the vehicle; and unclean vehicles going undetected and consequently unreported.

3.2.11. NAO is also concerned with the fact that certain vehicles are used to service more than one route in either mornings or afternoons. Although this practice does not necessarily mean that service levels are not being met by the service providers, this Office opines it may be resulting in undue early pick-up times in the morning, and prolonged waiting times in the afternoon. This situation, NAO opines, may also give rise to doubts on whether the service providers have sufficient capacity to service the contracts at the best of levels.

3.2.12. Throughout the administration of these two questionnaires, NAO noted that, on a number of fronts, emerging situations and/or processes are not always approached in a uniform manner, which indicates the lack of a formalised procedural and reporting structure. This Office is therefore concerned that this gap may give rise to miscommunication between stakeholders while also serving to hinder the effective understanding of each party's duties, to the detriment of the overall service quality.

3.3. Recommendations

3.3.1. In view of the fact that missed trips seem to be a somewhat pressing concern among a significant segment of responding parents, NAO suggests that MEDE adopts a more proactive approach in monitoring this issue through the tracking system. In so doing the Ministry would be ascertaining that all such occurring incidents are actually being recorded in the monthly performance reports submitted by schools and consequently, the former would be in a stronger position to enforce applicable penalties.

3.3.2. Adopting a proactive approach in the use of the tracking system may also serve to mitigate the gap in the schools' monitoring function, especially insofar as early morning pick-ups are concerned. Given that, as stated earlier, schools do not have physical presence on every individual trip, this tool may be relied on more heavily to provide visibility on the performance of every route. NAO however acknowledges that, with the current setup of the tracking system (which will be discussed in greater detail in Chapter 4), monitoring each and every individual route will prove to be an arduous task. To this end, this Office recommends that, with the current set up, MEDE could carry out proactive and random monitoring through a selected sample of routes, so as to increase the probability that such defaulting incidents are detected. NAO additionally notes that such a practice would also act as a deterring measure for future defaulting occurrences. It is also important to highlight that this proposed process takes second preference over a general overhaul of the tracking system (as discussed in Chapter 4), aimed at automating a more comprehensive monitoring function.

3.3.3. While once again NAO, through its site visits, could not identify any instances of students waiting unsupervised for school transport outside school premises, it nonetheless recommends that MEDE communicates with schools and formally directs them to ensure that such incidents never materialise.

3.3.4. In view of the facts that payments and applicable penalties are primarily based on the monthly performance reports submitted by schools, as well as this Office's recurrent concern that not all observed shortcomings in the school transportation service may be reaching the Ministry through this documentation, NAO strongly urges MEDE to revise its approach in communicating the importance of this process to schools, while

clearly highlighting that it is the latter's responsibility to ensure that these reports are comprehensively filled. Moreover, this Office also urges MEDE to ensure that all schools forward these monthly reports in a consistent manner and through uniform channels and formats, thereby reducing the risk of information loss.

- 3.3.5. While, as stated in the immediately preceding recommendation, NAO urges MEDE to pursue the comprehensive compilation of the monthly performance reports submitted by schools, this Office also suggests that the Ministry should carry out a review on whether the applicable financial penalties are set at a sufficiently high level to serve as a deterrent to defaulting suppliers. Any determined need for a change in the level of these penalties should be included in the upcoming contract.
- 3.3.6. In view of the fact that complaints handled by MEDE have a higher propensity of being resolved than those tackled solely by schools, NAO recommends that the Ministry officially directs schools to forward any complaints (especially those claiming a breach of contractually set obligations) to itself so that it may proceed with the necessary actions and take effectual enforcement measures wherever applicable.
- 3.3.7. This Office urges MEDE to initiate discussions with the service providers with the purpose of reviewing the current process by which drivers are updated with any changes to routes. This review should be aimed at ensuring that the information in question is transmitted through one defined channel in a clear, comprehensive and consistent manner.
- 3.3.8. Further to the immediately preceding recommendation, NAO suggests that MEDE should direct schools to take a more involved role in ascertaining that drivers are adequately informed of all designated pick-up points and that these are comprehensively covered during routes. In so doing, schools would be ensuring that their performance reporting adequately reflects the actual service quality delivered by the providers.
- 3.3.9. With respect to the different assertions made by schools and MEDE on whether the former have adequate access to an updated route register, NAO recommends that the Ministry iron out any expressed concerns which the schools may have in this regard.
- 3.3.10. While recommending that MEDE should ascertain that schools are adequately informed of what are and what are not the suppliers' contractual obligations during the provision of the school transport service, it also urges the Ministry to ascertain that the assignment of responsibility for student welfare during trips is clearly defined. To this end, NAO strongly recommends that the Ministry should enter into discussions with the schools and service providers so as to set a system of adequate student supervision during all stages of the school transportation service, thereby ensuring the best level of student welfare. Such a system should be introduced in practice at the very earliest and contractually consolidated in the upcoming agreement.
- 3.3.11. This Office once again acknowledges that the use of the same vehicle to service more than one trip in either the morning or the afternoon does not necessarily constitute a breach in service levels. Notwithstanding the above however, NAO recommends that MEDE should communicate with service providers to ensure that the latter are deploying sufficient vehicles to service the contract to the best levels, thereby ensuring the reduction of undue waiting times.

- 3.3.12. NAO further recommends that MEDE should introduce a documented structure which formally outlines procedural and reporting obligations for all stakeholders involved in the delivery of the school transportation service. In so doing, the Ministry would be ascertaining that all involved parties are thoroughly informed of their duties, while being adequately guided on the manner by which they are to shoulder their assigned responsibilities in all arising situations.
- 3.3.13. MEDE is also encouraged to take into consideration the recommendations put forward by both schools and parents (as detailed in points A.52-54 in Appendix A and point B.33 in Appendix B) with the intention of improving the manner by which school transportation service is provided.

Chapter 4

MEDE's Contract Management Function

Chapter 4 – MEDE’s Contract Management Function

This Chapter assesses MEDE’s management and monitoring function of the contracts for school transportation services, while examining the functionality and suitability of the GIS Tracking System in place, together with the ELSU’s complaint handling mechanism. This Chapter closes off with an overview of the adopted payment process together with a detailed analysis of all payments effected during the scoped period.

4.1. The Tracking System

The System

- 4.1.1. During meetings with MEDE, NAO was informed that all the vehicles used by the Service Providers to supply school transport are equipped with a GIS tracking device. This system records real-time information, particularly the location and speed of every active vehicle at any one point in time. As per contractual obligation, suppliers give access to MEDE for the latter to extract information on all active vehicles servicing the contract, which information is then used by the Ministry to assess the performance of the service providers. It is important to note that MEDE is contractually bound to contribute a maximum of €100,000 annually for the maintenance of this tracking system. NAO was however informed that, although this financial contribution is effected by government, the respective service providers retain full ownership of this system.
- 4.1.2. NAO was also informed that the tracking system is utilised by the Ministry for two main purposes, namely: to reactively verify, or otherwise, complaints and queries (particularly those related to lateness, over-speeding and whether the route was actually performed or not) by parents and/or schools as well as to proactively perform ad-hoc checks on routes, particularly those known to be somewhat problematic. This system also provides the Ministry with the option to carry out checks on the correctness and comprehensiveness of monthly reports generated by each school (which will be discussed in greater detail in subsequent parts of this Chapter). These reports are the main basis on which monthly payments are calculated and are also intended to furnish the Ministry with an overview of service providers’ performance. During meetings with MEDE, NAO was however informed that ELSU is significantly short of staff and consequently the checks mentioned above cannot be regularly applied.

- 4.1.3. MEDE however drew NAO's attention to the fact that, further to the Ministry's considerable lack of resources, this tracking system has its own significant limitations. Specifically NAO notes that it is neither guaranteed nor stipulated in the contract that a vehicle would service the same route throughout the scholastic year. To this end, MEDE would not necessarily be aware of which vehicles are servicing each route every day. This situation, MEDE asserts together with the fact that the GIS tool uses only registration numbers to track vehicles, significantly impedes the Ministry's ability to conduct proactive checks through this monitoring tool. To this end therefore, if the Ministry would want to check on one particular route, it would have to communicate with the service provider to attain the registration number of the vehicle serving the respective route, thereby heavily diluting the efficiency of this exercise. Despite the situation however, NAO was additionally informed that the details of the vehicles were always reactively provided by the service providers when requested by MEDE.
- 4.1.4. NAO queried whether there were any instances in which information from the tracking system was lost and what corrective procedures were adopted in such situations. To this, MEDE replied that, even though there have been instances where the system has been temporarily disabled (which is normally due to an information overload) data is still stored and can be accessed when the system resumes normal operation. NAO was informed that, to this end, no data has ever been lost.
- 4.1.5. In order to get a better picture of how this system is operated, NAO asked MEDE to give a real-time demonstration of this data track tool. To this end, the audit team conducted a site visit with ELSU Officials, who logged onto the system to display information on each service provider individually. NAO noted that the system did not respond with a seamless flow to the inputs of the user. MEDE Officials demonstrating this system stated that such performance is normal given the amount of information being processed upon each request. NAO further noted that when ELSU Officials prompted the system for information on UTS, the system, for some reason, could not access the requested data at the time.

The Annual Maintenance Contribution

- 4.1.6. NAO further delved into the allocation of the annual financial contribution which the Ministry effects towards the maintenance of the tracking system. This Office notes that at the time when the contract first came into effect (that is, in the scholastic year ending June 2012), the stipulated €100,000 allocation was distributed among the service providers according to the number of routes each respective provider serviced (table 6 refers).

Table 6: Maintenance Contribution as Allocated in Scholastic Year 2011-2012 and as Retained throughout the Service Period

Service Provider	No. of routes	Percentage of Total Routes	Allocated Amount in €
UTS	290	56.2%	€ 56,202*
COOP	198	38.4%	€ 38,373
TDP**	14	2.7%	€ 2,713
Paramount**	8	1.6%	€ 1,550
Peppin**	6	1.2%	€ 1,162
TOTAL	516	100%	€100,000

*Raise in 2012 Addendum included

**These suppliers are engaged through the three other contracts which were scoped out of this study

4.1.7. During meetings with NAO, the Ministry stated that this allocation is paid in full every year through its Finance Department. This Office was however additionally informed that the invoices by the suppliers are forwarded directly to the Finance Department and consequently, payment is effected without vetting and endorsement by ELSU. NAO further queried whether this financial allocation has ever been subjected to deductions, to which MEDE replied in the negative. The Ministry explained that the allocated budget amount was agreed at contract stage when the number of routes was considerably lower (Table 6 refers). NAO was further informed that, in view of this, service providers will decline anything less than full payment. The Ministry further asserted that any attempts to impose deductions on suppliers in this regard could trigger the latter to negotiate for an increased financial allocation in line with the increased number of routes. It was however further highlighted by MEDE that the amount paid never exceeded the budget allocated at contract stage.

4.2. Managing Complaints

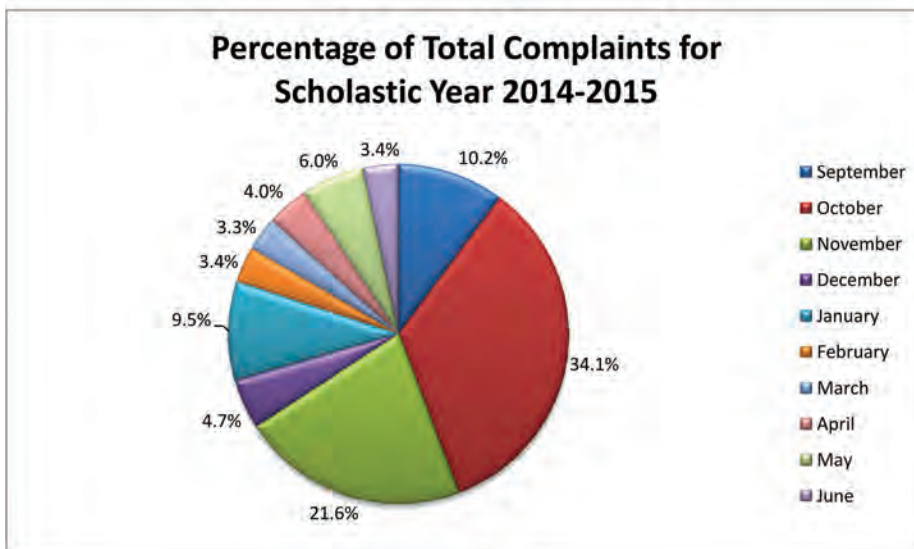
4.2.1. During communication with MEDE, NAO was informed that the former maintains a list of complaints received on the suppliers' performance when providing the school transportation service. The Ministry further informed this Office that this list is electronically compiled and shared online between ELSU personnel. MEDE however further highlighted that no records of who documented the complaint are maintained.

4.2.2. ELSU Officials explained that the list is populated by complaints received by schools (via phone and email), parents (via phone and email), directly from the Ministry's customer care office, or through an online form available on the Ministry's website. MEDE also highlighted that, together with the nature of the complaint received, a number of details are also recorded with the aim to track and follow up each issue until its final resolution. This information is also recorded to assist the Ministry in assessing its own performance insofar as handling of complaints is concerned. These details, among others, include the date when the complaint was received, route number, and the date when action was taken with the respective providers.

4.2.3. The list of complaints for the scholastic year ending June 2015 was forwarded by MEDE for NAO's consideration. Following its review, NAO queried the Ministry as to why the column detailing "Action Taken" was left empty, to which MEDE explained that this particular column was intended to be filled through a 'ticketing system', which system is intended to track the progress of complaint resolution. NAO was however further informed that this system has (as at time of writing of this report) still not been introduced, which explains the lack of information inputted in this column. ELSU Officials further explained that this initiative is one of many features which are being sought through an ongoing collaboration with MITA, which collaboration is, amongst others, intended at studying international school transport management systems with the aim of transposing any identified good practices to the local scenario. It is however important to note that, despite the fact that no record has as yet been maintained in the "Action Taken" column, the Ministry asserted that all the listed complaints have been acted upon, discussed with providers and any required action was taken.

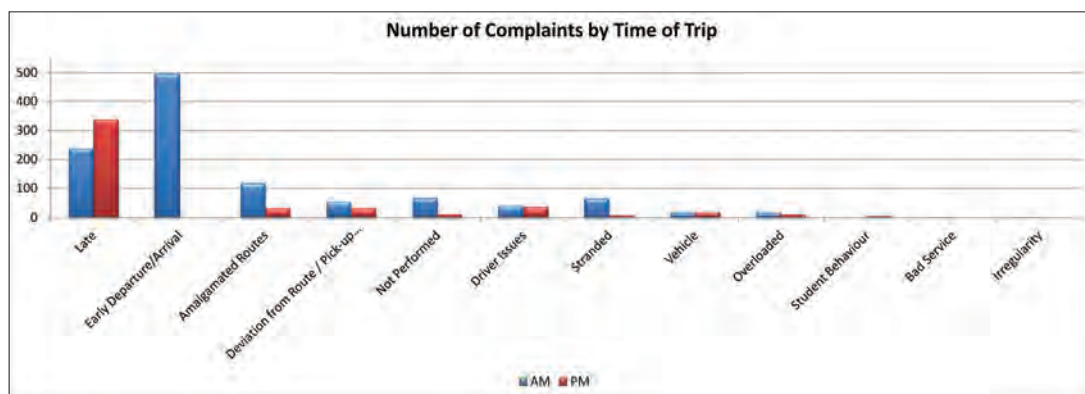
4.2.4. From the above analysis, NAO also noted that the majority of complaints were submitted around the start of the scholastic year (Figure 1 refers). This reconciles with assertions made by MEDE during meetings with NAO, stating that the number of complaints generally experiences a spike during this period due to settling down issues. In fact, NAO observed that the number of complaints received during the first three months of the scholastic year in question, constitute 66% of the total number of complaints received during the scoped scholastic year concerning the two scoped contracts. The Ministry however also explained that it takes care to group multiple complaints related to the same issue into one. This means that, if the same incident is reported by more than one source, it is still treated as one complaint and therefore only features once in the compiled complaints list.

Figure 1: Percentage of Complaints for Scholastic Year 2014-2105



4.2.5. This Office also observed that, when classified by type, the prevailing causes for complaints are attributable to students being picked up too early from the designated pick-up point in the morning, arriving too late at school, as well as students arriving late back home (which substantiates NAO’s observations in Chapter 3). As can be seen in Figure 2, the prevailing source of complaints (36% from a total of 1,577 complaints) relate to lateness. Specifically, the occurrence in which students being picked up late from school in the afternoon was observed in 335 complaints while students arriving late at school in the morning featured in 236 cases. On the other hand, NAO additionally notes that a further 31% of complaints are attributed to students being picked up early in the morning .

Figure 2: Number of Complaints by Type and Time of Trip



4.2.6. This Office carried out further analysis on the complaints list forwarded by MEDE, classifying each complaint according to the respective service provider. As an indication, NAO put the number of complaints in perspective by establishing the ratio between lodged complaints and the number of students serviced by each provider. This “complaint to student” ratio is presented in Table 7, which shows that the performance in this regard of the two suppliers under review is similar.

Table 7: Complaints to Student Ratio per Service Provider

Service Provider	No. of Complaints	No. of Students served	Ratio
UTS	1,283	8,471	0.15
COOP	298	2,185	0.14

4.3. The Payment Process

4.3.1. This section outlines the process adopted by MEDE through which it calculates and subsequently effects monthly payments to service providers in return for the provision of school transport services. It is important to note that the NAO review of the mentioned process was carried out solely on the two scoped contracts and only includes the analysis of payments and applicable deductions/penalties enforced on a monthly basis, thereby omitting the yearly assessments derived from the performance management criteria as stipulated in clause 9.1 of the contract.

4.3.2. During meetings with NAO, MEDE explained that as stipulated in the contracts, payments are based on 2 monthly invoices for 75% and 25% of the total amount due respectively. Specifically, MEDE asserted that the total monthly dues are derived from its own estimation of the annual cost, based on the routes assigned to each service provider at the start of each scholastic year as detailed in the route register. It is important to note that, as already explained in Chapter 2, the first of the two invoices billing 75% of the amount is forwarded by every supplier on the 15th day of every month. During meetings with NAO, MEDE highlighted that, upon receipt, the first 75% invoice is vetted by ELSU to ensure that the number of routes being billed is correct. Once this first verification is completed, the invoice is subsequently forwarded to the Ministry’s Accounts Department where it is once again vetted before full payment is effected.

4.3.3. This Office was also informed that the remaining 25% balance of monthly dues is subject to the performance of the respective providers as detailed in the monthly reports compiled by schools. These reports outline which routes have been performed, those that were not performed and others that, although performed, did not meet the required standard. The Ministry explained that, after reconciling these reports with its route register and complaints list to determine their accuracy, the

relevant amendments (particularly any deductions for missed trips) for that particular month are drawn up and then reflected in the calculations of the remaining 25% of the monthly dues. Following the necessary approvals within ELSU, MEDE further explained that these calculations are translated to a statement of account (point 4.3.5 refers) and subsequently forwarded to the Accounts Department for a second review. NAO was additionally informed that, following clearance by the Accounts Department, the statement of account is then forwarded to each respective service provider who subsequently issues the invoice billing the remaining dues. Upon receiving this second invoice, the Ministry's Accounts Department then once again vets the calculations prior to processing final payment accordingly. MEDE further highlighted that, in the eventuality that a service provider registers a number of defaulting incidents which, in aggregate, would translate to a total penalty which exceeds the remaining 25% of the monthly dues, a credit note is issued to the respective service provider so that the amount in question is deducted from the payment of the subsequent month.

4.3.4. In view of the pivotal role that the monthly performance report has in the above process, NAO also queried ELSU on whether School Officials responsible for transport are adequately aware of the contractually binding service levels, which knowledge is critical in the accurate and comprehensive compilation of this documentation. In reply, MEDE asserted that, apart from standing guidelines, yearly meetings are held with school representatives during which such information is communicated.

Payment Process Queries

4.3.5. With the payment process being an obvious central consideration in this study, this Office carried out a detailed examination to determine whether the monthly payments (for the contracts under review) effected within the scoped period, accurately reconcile with the number of routes quoted in the monthly reports. Through this exercise, NAO determined whether the payments analysed could all be supported by the required documentation, and had all followed the entire required procedure leading to the adequate certification and approvals. In order to achieve this exercise's intended objective, the audit team requested, and subsequently obtained, a number of documents namely:

- *Individual Monthly School Reports* – These are the monthly performance reports drawn up by the individual schools and submitted to MEDE. They contain data concerning the performance of the transport service indicating any missed trips, lateness, trip amalgamation and other performance related criteria;
- *Statement of Account* – This document is prepared by MEDE from the individual monthly school reports and is used to calculate the actual and final invoices on which monthly payments are made;
- *Payment Files* – Files (per scholastic year) containing hard copy of documents relevant to the payment process such as invoices, statements, deductions and payment vouchers, for each service provider.

4.3.6. Given the voluminous amount of data involved in the implementation of the payment process, this Office primarily carried out an analysis on a sample of two months worth of data (within the scoped period) for each of the two service providers under review. The sampled months were largely selected at random, with the audit team only opting to make each of its selection from different semesters. November 2014 and May 2015 were consequently selected for this exercise.

4.3.7. In carrying out this exercise, the audit team extracted the route numbers from the monthly performance reports, of the corresponding routes being performed by the respective service providers. The respective route category and distance classification

(short or long) were then extracted from the Route Register. Following this, the audit team then compared the route numbers and details with the both the number of routes billed in the invoice, and the number of routes quoted in the statement of account (both extracted from the payment files).

4.3.8. This study showed that:

- i. 14 routes which were included in the sampled Statement of Accounts (which implies that payment was effected), could not be traced in the monthly performance reports submitted by schools. This essentially implies that, for the two months under review and according to NAO's calculations, an amount of €23,115.54 was forwarded to UTS with no documented certification that these routes were actually performed.
- ii. The classification of four routes in the respective statements of account differed from the original classification assigned to them in the route register. In fact, two of the mentioned routes were assigned to COOP, of which one route experienced a change from category D to category E, with the other route changing from Short to Long Distance but retaining the same route category. The remaining two routes were assigned to UTS and both had their respective categories changed, namely from F to G. When queried on these changes, MEDE could not provide NAO with the relative documentation authorising the changes.

4.3.9. In view of the fact that all identified discrepancies in 4.3.8(i) above were all attributable to UTS, the audit team decided to extend its analysis in this regard to cover the whole scoped scholastic year, limiting it to this particular supplier. This extended exercise revealed an increase in the number of routes which were paid for (that is, which were included in the Statement of Account) but not accounted for in the monthly performance reports (bringing the total to 70 routes). Such an increase was naturally reflected in a higher financial discrepancy, with the €23,115.54 amount identified in the above mentioned two month exercise, rising to €90,481.80 for the whole scoped scholastic year.

4.3.10. During the two month sample exercise mentioned in 4.3.8(ii) above, this Office noted that the differences in the route category which did not have documented authorisation, related to routes serviced by both COOP and UTS. This result, NAO opined, necessitated an extension of the exercise in question to cover both suppliers for the whole scoped scholastic year. This second extended exercise showed that the undocumented changes in the category of two of UTS's routes, occurred more than once during the scoped period. Upon further analysis, it was however also noted that the route price quoted in the Statement of Account was not always aligned with the respective route category, resulting in a slight financial discrepancy of €168 (in the supplier's favour) for the whole scoped period. On the other hand, analysis on the other two undocumented changes related to routes assigned to COOP, which in total amounted to a discrepancy of € 3,610.32 (in the supplier's favour) for the entire scholastic year. NAO notes that this latter discrepancy emanates from two instances of lack of authorisation in route category changes (at the start of the scholastic year), with one route being charged at a higher category while the other route being charged for a longer distance route.

4.3.11. When presented with these findings, MEDE could not provide NAO with an explanation for these discrepancies. When queried by NAO whether any other additional checks are incorporated in the payment process to verify whether routes were performed or otherwise, MEDE replied in the negative. The latter however did

inform NAO that supplier performance can always be checked through the tracking system. The Ministry further explained that this, however, is not part of the payment procedure and therefore no further checks other than the monthly performance reports are made. It is important to note that, as at time of writing of this report, the aforementioned identified discrepancies were not investigated by MEDE through the tracking system, as it is significantly labour intensive.

4.4. Conclusions

- 4.4.1. NAO perceives significant impingement on ELSU's monitoring efficiency in view of the fact that the data tracking system functions on the basis of the vehicle registration numbers, which information is not necessarily always available to MEDE. This leads to a situation whereby the Department would not necessarily be aware of which vehicle is performing a particular route, making it impossible for ELSU to track vehicles without additional input from the service providers.
- 4.4.2. Attention is drawn to the fact that no applicable penalties are clearly outlined in the contract should the tracking system not perform adequately. This, NAO opines puts Government in a weak position since no adequate enforcement and deterring mechanisms are in place.
- 4.4.3. This Office notes that the current GIS tracking system is a comprehensive tool to monitor the quality of the service being provided against the service levels set in the contract. NAO is however concerned with the level of performance this system is yielding, with the consequence of ELSU Officials having to allocate additional time while operating this system due to delays in extracting data, possibly impinging on the Department's efficiency and putting additional strain on the already limited human resources.
- 4.4.4. While NAO acknowledges MEDE's efforts to introduce a ticketing system by which to manage received complaints, it is nonetheless concerned by the fact that, at present, any action taken up by the Ministry to resolve the complaints received, is not recorded in the complaints list. This, NAO opines, creates a gap in the documentation trail which heavily impinges on the Ministry's monitoring capabilities.
- 4.4.5. While NAO acknowledges the fact that the lack of documented evidence (explaining identified discrepancies between the monthly performance reports and the statements of account) does not necessarily imply that routes have not been performed, this Office asserts that such a situation is still unacceptable. The risks emanating from these circumstances are too significant for any comfort as they may induce an environment in which public funds are not adequately accounted for, thereby heavily impinging on the process's transparency.

4.5. Recommendations

- 4.5.1. NAO notes the difficulty MEDE faces in reconciling which vehicle carries out which route when monitoring the service through the GIS tracking system. To mitigate this situation, this Office recommends that the Ministry should liaise with the respective service providers so that a communication procedure is set up, through which a daily list is forwarded to the Ministry detailing which vehicle would be servicing each route. NAO opines that, in the current situation, this would be the most efficient solution as it would enable the Ministry to perform real time monitoring during the actual performance of the trip. This Office however notes that there is no contractual obligation binding service providers to accept this proposal. Consequently, in the eventuality that the respective suppliers reject this proposal, this Office recommends

that MEDE directs its school staff responsible for transportation services to take note of all vehicle registration numbers both during morning drop-offs and afternoon pick-ups at each respective school. Through this process, ELSU would then be furnished with the required information so that it could carry out re-active checks on performed trips. Notwithstanding the above recommendations however, NAO perceives an opportunity for the Ministry to revise the tracking system's specifications in the upcoming new contract. Specifically, this Office urges MEDE to conduct an internal review of all monitoring functions intended to be processed by this tracking system with the aim of ascertaining that all necessary information is made constantly readily available in a timely manner. This Office also urges that Ministry to endeavour in shifting towards process automation for increased efficiency. This would significantly improve the Ministry's control and visibility over the service providers' performance.

- 4.5.2. With regard to the fact that no applicable penalties are clearly outlined in the contract in the eventuality that the tracking system does not perform adequately, NAO urges the Ministry to include applicable service levels in this regard in the upcoming new agreement.
- 4.5.3. In view of the somewhat slow performance of the GIS tracking system, NAO recommends that MEDE carries out an examination to determine the source of the issue. Should this be traced back to a problem from the respective service providers, this Office urges ELSU to exert pressure on the former so that this situation is rectified at the earliest, and as stated earlier, possibly withholding the maintenance contribution as a deterring factor. On the other hand, in the event that the problem is traced back to the Government's ICT network, NAO recommends that discussions are held between MEDE and the respective Departments/Authorities so that this issue is resolved. In addition, NAO recommends that this maintenance contribution is made subject to performance criteria in the upcoming new agreement.
- 4.5.4. While commending the Ministry's initiative to coordinate with MITA in an exercise to review the School Transport Management System based on observations on overseas counterparts, this Office recommends that, until this new system is actually designed and implemented, MEDE utilises the already established complaints list mechanism to record all the necessary details. In particular, this Office urges the Ministry to include the date and any remedial action taken to resolve the lodged complaints. In so doing the Ministry would ensure an adequate documentation trail of this process, putting itself in a stronger monitoring position.
- 4.5.5. In view of the gaps in documentation which results in an inability to reconcile all payments effected with actual trips performed, NAO strongly urges MEDE to address this situation at the very earliest. In particular, this Office suggests that the Ministry should explore further utilisation of the tracking system while, as stated in the previous recommendation, strengthening its monitoring function by ascertaining that the monthly performance reports are being comprehensively compiled by the schools, possibly through on the ground checks on both service providers and the schools themselves.

Concluding Remark

This review showed that, after a somewhat troublesome but short settling down period at the start of each scholastic year, the State school transportation service generally satisfies end user expectations. NAO however notes that meeting such expectations does not necessarily mean that contractual obligations are being constantly honoured by the service providers, and in fact, this Office identified a number of prevailing concerns which persist throughout the effective service period, particularly time related ones.

To this end, structured and effective monitoring from Government's part is considered of paramount importance to ascertain that engaged service providers adhere to their contractually binding obligations. This audit however showed that the manner by which the contracts governing the school transportation service are drafted, projects a sense of excessive leniency towards the suppliers, leaving Government in a weak position particularly when it comes to penalising low performance.

The effects of relatively weak mechanisms entrenched in the contracts are further compounded by the fact that the monitoring measures which remain at the Ministry's disposal are not seamlessly implemented. As a start, this audit showed that the monthly reports compiled by schools on suppliers' performance are not always comprehensive in what they account for, leaving ELSU with reduced visibility on actually occurring defaulting incidents. This issue takes particular importance when one considers that these reports are the primary source of data upon which payments and applicable penalties are calculated. NAO additionally observed instances in which documented evidence clearly identifying that routes have been performed, was lacking. Specifically, this Office found discrepancies between what was included in the schools' monthly performance reports, and the respective reported payments in the corresponding statements of account prepared by MEDE. While this Office acknowledges that this does not necessarily imply that, in such instances, paid trips have not been performed, it nonetheless asserts that such a situation heavily impinges on the payment process's completeness and transparency. Secondly, the way through which the tracking system (made available by suppliers) has to be operated, makes it cumbersome and therefore nearly impossible for the Ministry to use as a proactive monitoring tool. This concern is further compounded by the significant lack of human resources deployed within ELSU, reducing the use of this otherwise effective (albeit inefficient in its current configuration) monitoring tool to mere reactive verification of complaints received.

By means of a final note therefore, while this Office once again acknowledges that the provision of school transportation service seems, by and large, to be satisfying end users' expectations, NAO cannot conclusively certify that the full value for the funds invested is being achieved due to a number of shortcomings, in both the contract document as well as the Ministry's monitoring function. While NAO acknowledges the fact that the Ministry will continue to face significant difficulties in controlling the service in question due to certain conditions set in the contract currently in vigore, it nonetheless strongly urges the latter to commit itself to mitigate these challenges as much as possible. Specifically, this Office urges the Ministry to strengthen its monitoring mechanisms at its disposal, primarily by: ascertaining that it is adequately staffed; pushing for increased efficiency in the tracking system, possibly through process automation; and making sure that all schools comprehensively fill in the respective monthly performance reports. NAO urges MEDE to see to these measures at the very earliest, while initiating a comprehensive planning process intended at rectifying the identified contractual weaknesses in the upcoming new agreement.

Appendix A – NAO’s Results and Findings from the Administration of Schools’ Perception Questionnaire.

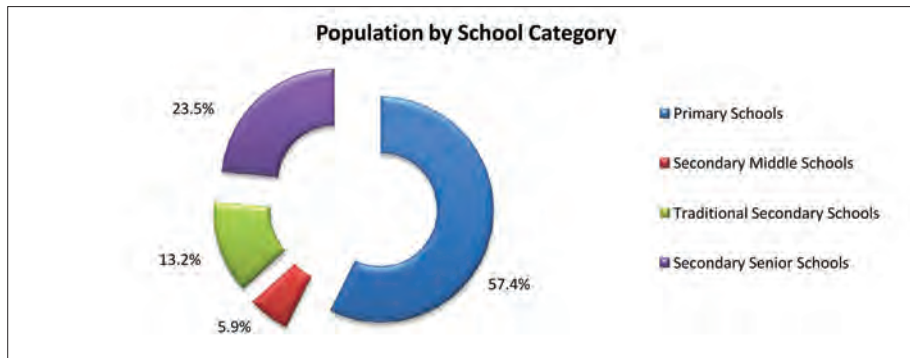
Schools’ Perception

- A.1. State schools themselves are discernibly primary stakeholders when it comes to the evaluation of the school transportation service provision. With a first-hand experience in the operations of this service, together with their obligation to report on the suppliers’ performance to MEDE every month (which system is discussed in greater detail in Chapter 4), school officials are in a considerably advantaged position to provide informed feedback on the quality of the school transportation service being provided.
- A.2. In order to benefit from this insight, NAO designed a questionnaire through which it solicited information on the subject matter from local State schools. After uploading this questionnaire to a secure online location, this Office proceeded to communicate with MEDE for the latter to distribute an official circular among all State schools, guiding them to access this questionnaire in electronic format and providing the necessary instructions for its completion. NAO also specified that this questionnaire had to be filled in by all schools within 7 working days after the receipt of the MEDE circular.
- A.3. It is important to note that from a total population of 87 State Schools (excluding Gozo), 68 (78%) replied to this questionnaire. This analysis is therefore based on the information extracted from these respondents.
- A.4. It should also be noted that the feedback received from schools through the administration of this questionnaire relates to the period between the start of the then current scholastic year (that is 2014/2015) to the day that the response was being secured by NAO (that is end June 2015).

School and Respondent Details

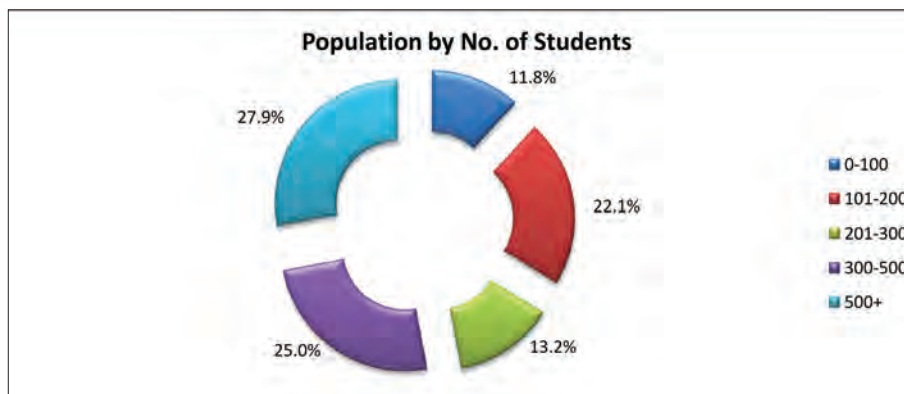
- A.5. This first part of the questionnaire was intended to profile the responding schools, namely by soliciting information on whether each school provided primary or secondary education, its student population and details on the school Official replying to the questionnaire. This exercise was particularly important in view of the different service levels cited in the contract for the different school categories.
- A.6. As can be seen in Figure 3, 57% of the respondents replying to NAO’s questionnaire were primary schools, with the remaining 43% being split between the traditional secondary (that is, hosting Form 1 to Form 5 students), middle (Form 1 and Form 2 students) and senior secondary schools (Form 3 to Form 5 students). It is important to note that the split of the traditional secondary schools into middle and senior secondary schools, coincided with the start of the scoped audit period . It must also be pointed out that service levels across the latter three secondary school variations are identical, and for ease of analysis, NAO grouped them into one classification (that is, Secondary Schools) for the purpose of this study.

Figure 3: Population by School Category



- A.7. As stated earlier, this first part of the questionnaire also solicited information on the total school population. As can be noted in Figure 4, the largest section of the responding schools (27.9%) have a student population of more than 500 students, while schools hosting no more than 100 students only make up 11.8% of the responding population.

Figure 4: Population by No. of Students



Official Responsible for School Transport

- A.8. The questionnaire also queried respondents on which Officials are entrusted with overseeing the school transportation service in their respective schools. For the large part, replies indicated that school officials responsible for transport occupy the grade of Assistant Head or Head of School. In fact, in 59% of the responses, officials handling transport proved to be Assistant Heads, followed by Heads of School in 25% of all responses. An additional 4% of the total respondents occupied the position of Clerks, with a further 3% being Learning Support Assistants (LSA). Other replies indicated a variety of occupations, including Teachers, Secretaries and, in one case, a Kindergarten Assistant. It is also worth mentioning that the school for which the Kindergarten Assistant in question manages school transport, only has 14 students who use this service. Similarly, two schools which delegate this responsibility to LSAs, only have one student each who actually makes use of the service.
- A.9. The questionnaire also queried respondents on what duties are assigned to them, being the Officials responsible for the school transportation service. A list of tasks was provided by the audit team for the respondents to tick those which apply to them. An "Other" option was also included, giving the respondents the opportunity to list other responsibilities which were not specifically outlined in the questionnaire. It must be noted that respondents were allowed to choose more than one option and consequently, the number of replies naturally exceeded the number of respondents.

A.10. Replies to this query showed that 69% of the respondents are, among others, assigned with the responsibility of handling overall complaints received on the service. Most of the replies also confirmed that these Officials: are instructed to maintain a performance record or report on the service providers for onward transmission to MEDE (76%); are responsible for checking that the correct number and type of vehicles are provided by the suppliers (74%); and maintain an ongoing liaison with parents (68%).

Number of Students Eligible for Transport

A.11. The questionnaire solicited information on the number of students who are eligible for school transport in every school. Feedback received however shows that not all schools are aware of the number of eligible students. In fact, 11 schools from the total respondents could not submit a specific reply to this question. 49 of the remaining respondents informed NAO that, in aggregate, they host a total of 10,170 eligible students. Of these, 8,952 (88%) actually make use of the school transportation service (excluding students with special needs). It is also important to note that the remaining 8 schools stated that they have no students who are eligible to use the service. Interestingly, as presented in Table 8, the level of eligible students who actually avail of the provided school transportation service, is higher in secondary than in primary schools.

Table 8: Students Eligible for School Transport vs Students using School Transport by School Category.

	Students Eligible to use School Transport	Students Using School Transport
Primary	2,506	1,302 (52%)
Secondary	7,898	6,896 (87%)
Totals	10,404	8,198

A.12. When queried on the fact that not all schools were aware of the number of students eligible for school transport, MEDE informed NAO that although this may be the case, every application received for any student to make use of this service is vetted against eligibility criteria, and subsequently approved or otherwise. This process, MEDE asserts, ensures that, while the Officials responsible for school transport may not be fully aware on who is eligible, they are still adequately informed on the number of students actually making use of the service. With this in mind, the Ministry feels assured that the school transport Officials are in possession of the necessary and correct information by which to adequately monitor the service.

School Transport Route Planning and Co-ordination

A.13. NAO further queried respondents on the extent to which they are involved by MEDE during planning of school transportation routes. A scale from 1 to 5 (with 1 being the lowest rating) was presented to the responding schools to gauge their respective involvement in this regard. In reply, 25% of the respondents asserted that they were only slightly roped in by the Ministry during this planning stage, consequently rating their involvement at 1. Another one quarter of all respondents quoted their involvement at 3, with the remaining 18%, 18% and 14% of the responding population rating 2, 4 and 5 respectively. While when presented with these findings MEDE Officials confirmed that schools are not usually roped in during this planning process, they further asserted that if any of the latter do come forward with suggestions or requests, these are generally asked to participate in this process.

- A.14. The questionnaire additionally sought to determine whether schools communicate with parents during this planning stage. In this regard, NAO gathered that 71% of the responding schools consult with parents when they themselves are involved by the Ministry during the route planning process. From the received feedback NAO could also note that the most widely adopted method used by schools to communicate with parents for this purpose was by written notice. Other prevailing methods of communication were through School Meetings, email or by phone.
- A.15. Information was also solicited on the process following a request for a change in route made by the parents themselves. To this, 88% of the total responding schools stated that they generally forward these requests to MEDE so that the latter may formally handle the issue. The remaining 12% of the respondents informed this Office that no such requests are normally received.
- A.16. Respondents were also queried on who informs drivers of any changes in route details. In reply, 47% of responding schools stated that it is only the Ministry that updates drivers with route changes, while others (12%) stated that sometimes both the Ministry and the Service Providers themselves update the drivers. On the other hand, in 12% of the cases, only the service provider informs the drivers of any updates. It is also important to note that some schools informed NAO that they are not aware of who provides such details to drivers.
- A.17. When further asked what details drivers are provided with, schools were presented with a number of selections and asked to indicate all applicable options. Gathered results show that the most prominent detail provided to the drivers was the pick-up points, selected by 54 schools. The total number of passengers was also a commonly selected option with 40 schools while 15 schools affirmed that they also provide passenger names to the drivers.

School Transport Management

- A.18. Information on the schools' ability to manage the service, and consequently to ensure an adequate performance from service providers, was also requested. As a start, the questionnaire sought to measure this function by determining whether the schools were adequately aware of who of its students were actually availing of the service. Replies in this regard showed that 93% of the responding schools have a compiled list of all students making use of the school transportation service. 90% of the responding population further stated that they regularly update this throughout the scholastic year to reflect any changes in the use of this service.
- A.19. Another indicator of the schools' ability to control the service is whether they have free access to a continually updated Route Register or otherwise. Replies in this regard were however somewhat weak, with 51% of the responding schools stating that they do not have access to such constantly updated information. When queried about this, MEDE however informed NAO that this is highly unlikely as schools need access to this register in order to compile the monthly performance reports. Moreover, the Ministry also asserted that any route changes are normally requested by the schools themselves, which results in the schools being automatically informed of these changes.
- A.20. Results from the questionnaire also indicated that all of the responding schools, bar five, maintain performance records on the school transport service (which reports are analysed in Chapter 4). When the schools which answered in the affirmative on the latter consideration were asked how such records are maintained, a broad range of replies was noted, such as: soft copy of the monthly performance reports submitted

to MEDE; hard copy of the same monthly performance reports; transport log books, etc. When these same schools were queried on who is the Official responsible for the maintenance of these records, replies were mainly split between Assistant Head and School Clerks, with other replies including the grades of Head of Schools, School Secretary and Teachers.

- A.21. Given that, as explained in greater detail in Chapter 4, payments to the service providers and any applicable penalties are solely based on the monthly performance reports submitted by schools, MEDE was queried on the fact that, as stated above, five responding schools stated that they do not submit these monthly reports. In reply, the Ministry questioned the veracity of such a statement given that their Officials carry out a reconciliation exercise at the end of each month thereby ascertaining that all reports have been submitted.

Identified Concerns on Service Provision

- A.22. Through the administered questionnaire, NAO sought to determine what, in the responding schools' opinion, are the most pressing concerns in the provision of the school transportation service. As a start, responding schools asserted that they received a total of approximately 630 complaints during the scoped scholastic year from service users, implying that an average of 9.2 complaints was registered in every school (with the highest amount totalling 74 complaints in one school). When split by school category, NAO noted that primary schools receive the least number of complaints with a ratio of 0.05 complaints per student. This contrasts with the situation in secondary schools with a ratio of 0.07 complaints per student. The following parts discuss the most prominent of the identified concerns, both those highlighted by the schools themselves as well as those received by service users in the form of complaints.

Missed Trips

- A.23. When queried on the number of trips that were not performed by the service providers within the scoped period, 59% of the responding schools replied that all scheduled trips were successfully carried out without a single defaulting incident. While 3% of the responding schools did not answer this question, the remaining 38% gave a range of between 1 and 40 missed trips, with most however quoting one or two. Of the responding schools who informed NAO that trips were missed during the scoped period, 14 indicated that, as a primary reason, drivers cited abnormal traffic congestion. Other reasons included: breakdown of vehicles; bad weather; and drivers having difficulty in familiarising themselves with the relatively new concept of Middle and Senior Schools, particularly those which are located within the same building.
- A.24. The schools were also asked what action was taken in such cases. In response, the majority of schools informed NAO that such incidents are logged in the monthly report submitted to MEDE, with some of these schools further indicating that complaints were also forwarded directly to the drivers. Interestingly, in two cases, a recommendation was made by the schools for a downward adjustment to the monthly invoice, which suggestion was subsequently accepted by both MEDE and the respective service providers. NAO also noted that once corrective actions were taken by schools in cases of missed trips, the absolute majority of the respondents stated that trips resumed regularly.

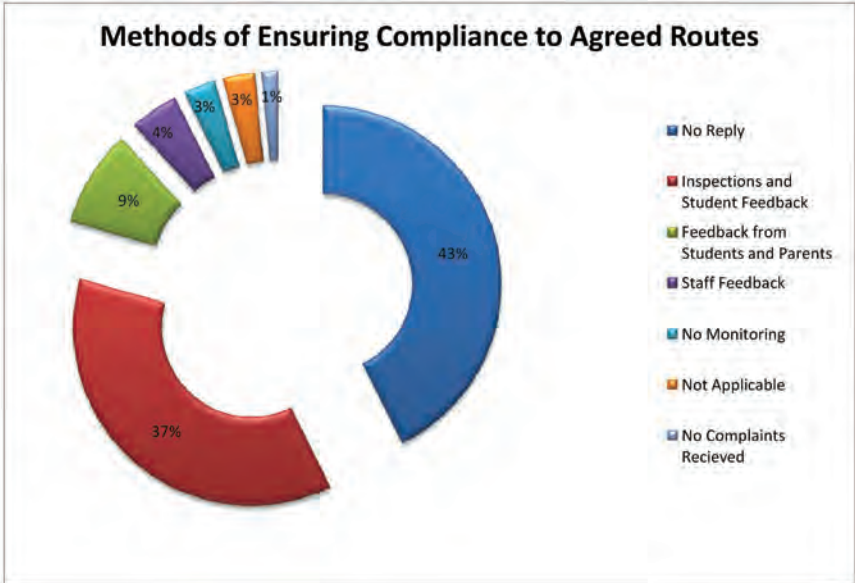
Official Routes not Followed

- A.25. In this part of the questionnaire, NAO queried the respondents on whether official routes (as planned and agreed between MEDE and the service providers) are being

followed by the deployed drivers and, if not, at what frequency are defaulting incidents occurring. In response, the majority (54%) stated that there had been no incidents in which official routes were not followed within the scoped period. On the other hand, 28% of the respondents indicated that such deviations occurred rarely (i.e. once every term), while 10% of the responding population calculated that official routes were not followed approximately once every month. Another 4 schools stated that they do not know if any such incidents occurred while one other school reported that such incidents were occurring on a “Very Frequent” basis (that is, more than once a week). When the latter respondent was asked about the reason behind such a frequent deviation from set routes, it stated that two particular routes were being amalgamated into one. This respondent further explained that one pick-up point from a third route is also being absorbed into this amalgamated route, which further compounds the situation.

- A.26. NAO further solicited for reasons offered by drivers for the occurrence of the above mentioned incidents, to which respondents replied that abnormal traffic congestion was once again the principal quoted cause. Road works/closure was also commonly cited while other reasons included the introduction of additional pick-up points in the routes and major traffic accidents.
- A.27. Responding schools were also asked what measures are adopted to ensure compliance with agreed routes by the service provider. In reply, 37% of the respondents stated that they carried out regular inspections to this effect, while also soliciting feedback from students. Two schools stated that no monitoring is performed, while 43% of the total population did not provide an answer to this question (Figure 5 refers).

Figure 5: Methods of Ensuring Compliance to Agreed Routes



- A.28. Respondents were further queried on what corrective actions are taken following identification of an unauthorised divergence from an official route. With the possibility of choosing more than one option, 38% of the responding schools stated that they report such occurrence to MEDE. A total of 18% of the participants informed NAO that they talk directly to the driver, while 13% record such incidents in the monthly performance report. While 3% of the responding population stated that they take no action at all, 49% did not provide any feedback on this query.
- A.29. Of the 31 schools which indicated that they took action when identifying incidents of this type, the majority stated that, following their intervention, the driver started

following the official route once more. It must however also be noted that 9% of the respondents stated that, following their intervention, there were no noticeable corrective measures taken by the suppliers, and in two other instances the deviation adopted by the driver was officiated, thereby formally changing the route.

Stranded Students

- A.30. Through the administered questionnaire, NAO queried the respondents on whether students are, on occasions, not picked up by the service providers from either their designated pick-up points or from schools. To this, 23 schools replied that such incidents have been registered during the scoped scholastic year. Out of these, the highest recorded number of reported incidents by any one school was that of “about 10 times”, while one and four incidents were the most commonly reported among the other respondents. While the majority of schools who stated that such incidents did occur indicated the exact frequency of incidence, five respondents could not recall the precise number of such incidents, but stated that these rarely occurred.
- A.31. When queried on what action was taken in response to this type of incidents, 19 schools indicated that, among others, the case was directly reported to MEDE. Seven schools stated that they reported such incidents to the driver, while another eight schools indicated that they recorded the incident in the monthly performance report submitted to MEDE. NAO also noted that, following actions taken, 22 out of the 23 aforementioned schools reported service providers reverting back to proper performance. The remaining one school did not reply to this question.

Unauthorised Amalgamated Trips

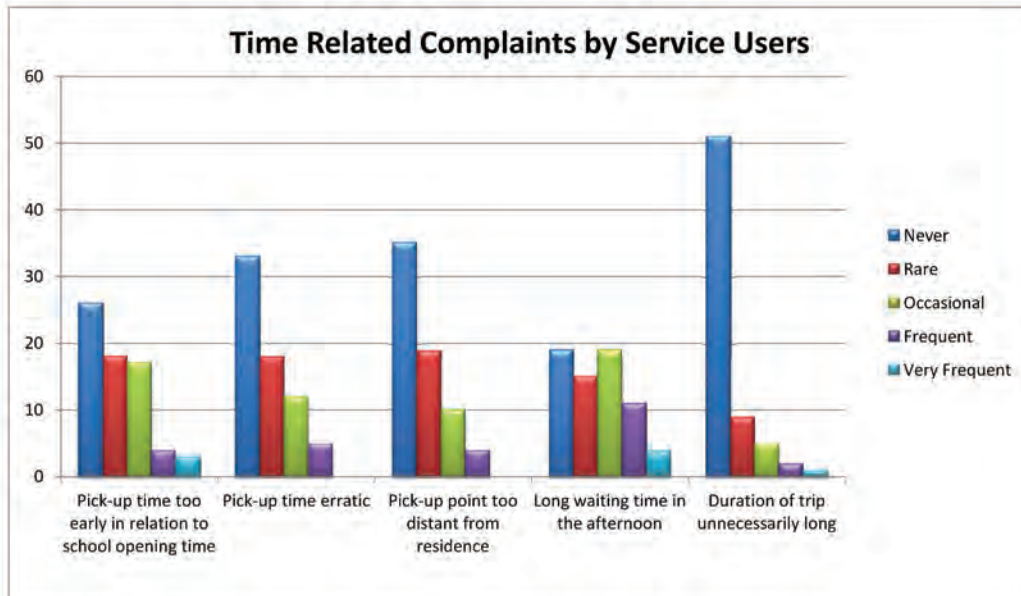
- A.32. A total of 20 schools reported that they have experienced cases of two or more routes which were amalgamated into one without being authorised by neither themselves nor MEDE. When queried on how they react to such occurrences, 17 of these schools stated that, among other actions, they reported these incidents directly to the Ministry. Of the aforementioned 20 schools, 10 stated that these cases are also recorded in the monthly performance reports.
- A.33. It is important to highlight that, from the aforementioned 20 schools that informed this Office of the occurrence of unauthorised amalgamated trips, 17 confirmed that, following corrective actions from their part, the service providers reverted back to the original agreed routes. Feedback received from the remaining 3 schools alleged that corrective action taken from their part was generally ineffectual. Specifically, 2 of these 3 schools reported that unauthorised amalgamated trips continued after their intervention while the remaining school informed NAO that, due to the supplier’s unresponsiveness, the issue escalated to a point which resulted with the service provider being replaced.
- A.34. When presented with these findings, MEDE remarked that, while some schools do tend to try to resolve such issues directly with the driver, the former do not have sufficient deterring capacity to materially instigate corrective actions in this regard. To this end, MEDE asserts that, if schools do not inform the Ministry of such incidents, the likelihood of addressing such shortcomings is relatively low.

Timeliness

- A.35. The questionnaire further solicited information on any time related issues experienced during the provision of the school transportation service. Respondents were presented with five different scenarios that could potentially instigate time related complaints

by service users, and were also queried on the frequency of each. Figure 6 presents the distribution of replies for each scenario.

Figure 6: Complaints Frequency Level



A.36. As can be noted in Figure 6, in most of the presented time related complaints scenarios, the majority of schools declared that such situations were never reported by service users. This result was particularly evident in the case of whether a trip is considered unnecessarily long, with 75% replying that they “Never” received such complaints. This Office however also noted that late afternoon pick-ups attracted the highest number of registered complaints, with 19 replies citing the frequency of this occurrence as “Occasional”, 11 “Frequent” and 4 “Very Frequent”.

A.37. The administered questionnaire showed that responding schools quoted time related complaints as the most frequently received from the service users. In fact, from the received feedback, NAO found that 37% of all complaints received were time related, closely followed by students’ negative behaviour (31%). NAO was further informed that in the majority of all the said time related cases (54%), these complaints are forwarded to MEDE, while in other cases (12%) these are tackled directly with the driver. This Office took particular note of the fact that none of the respondents stated that the mentioned cases were recorded in the monthly performance reports.

A.38. Apart from soliciting responding schools for information on the complaints received from the service users, the questionnaire further enquired the former on what they themselves perceive as the most pressing time related concerns. These were in turn measured against the service levels stipulated in the governing contracts through clause 1.3.1., which states:

“In providing the school transport service for the routes the service provider shall ensure that:

a (i) Primary school students residing within a distance of four (4) km from their respective school shall not be picked up earlier than thirty (30) minutes before school starts.

a (ii) Students are to arrive not later than five (5) minutes before the commencement of the school day, and not earlier than thirty-five (35) minutes before school starts.

b Secondary school students shall not be picked up earlier than one (1) hour before school starts.

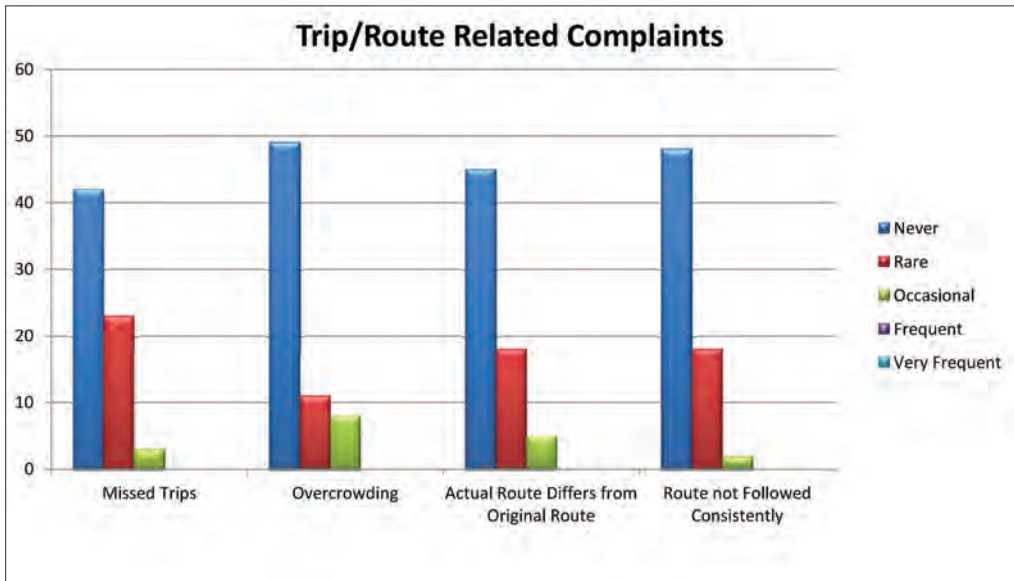
- c Primary students are to find their transport waiting for them no later than fifteen (15) minutes of when the school finishes.*
- d Secondary students are to find their transport waiting for them no later than thirty (30) minutes of when the school finishes.”*

- A.39. In analysing the gathered results, NAO could conclude that, in the case of 35 responding schools (51%), the school transport service does not meet the criteria set out in the contract, which governs the earliest permissible arrival time before school starts (that is, students should not arrive at school earlier than 35 minutes before school starts). Moreover, 13 of these responding schools further indicated that some transport vehicles arrive 60 minutes or earlier before school starts, with the earliest registered time reaching 90 minutes. Results from the remaining respondents (49%) show that this contractually binding service level was upheld during the scoped period.
- A.40. Responding schools were also enquired on the suppliers’ performance with respect to the latest time students arrive at school. With clause 1.3.1 (a)(ii) of the contract stating that students should not arrive at their respective destination later than 5 minutes prior to start of school, results from 22 respondents (32%) showed that service providers generally defaulted on this contractual obligation. One respondent further stated that there were instances in which the last vehicle to arrive at the school exceeded the set criteria by as much as 85 minutes.
- A.41. While the above contractual requirements do not make a distinction between primary and secondary schools, the time related service levels for student waiting time in the afternoon differs between the two school categories. Specifically, as quoted in 1.3.1 (c) of the contract, primary students are to find transport waiting for them by not later than 15 minutes after school finishes. Secondary school students (as quoted in clause 1.3.1 [d] of the contract) are on the other hand not expected to wait for their transport for more than 30 minutes after school ends. When queried to this effect, 41% of the primary school respondents asserted that the time in which the last afternoon vehicle starts its trip, at times exceeds the allowable 15 minutes waiting time from when school finishes. NAO was additionally informed that, in 2 of these cases, the last trip leaves the school up to 75 minutes after school ends. In the case of secondary schools, NAO noted that 38% of the received replies indicated that the aforementioned 30 minutes waiting time is exceeded, with one school quoting 60 minutes from when school finishes until the last vehicle leaves the school.

Trip / Route Related

- A.42. Respondents were also queried on the level of occurrences regarding complaints related to the individual trips and/or routes. Further to outlining four typical complaints in this regard, the questionnaire also asked schools to indicate their level of frequency throughout the scoped period. This Office noted that in all four presented complaint scenarios, the frequency level quoted by the schools did not exceed “Occasional”. As can be noted in Figure 7, the complaint with the highest registered “Occasional” level of frequency was overcrowding. On the other hand, complaints concerning the official route not being followed were the least prominent from all four, featuring the highest number of replies stating that such complaints were never reported.

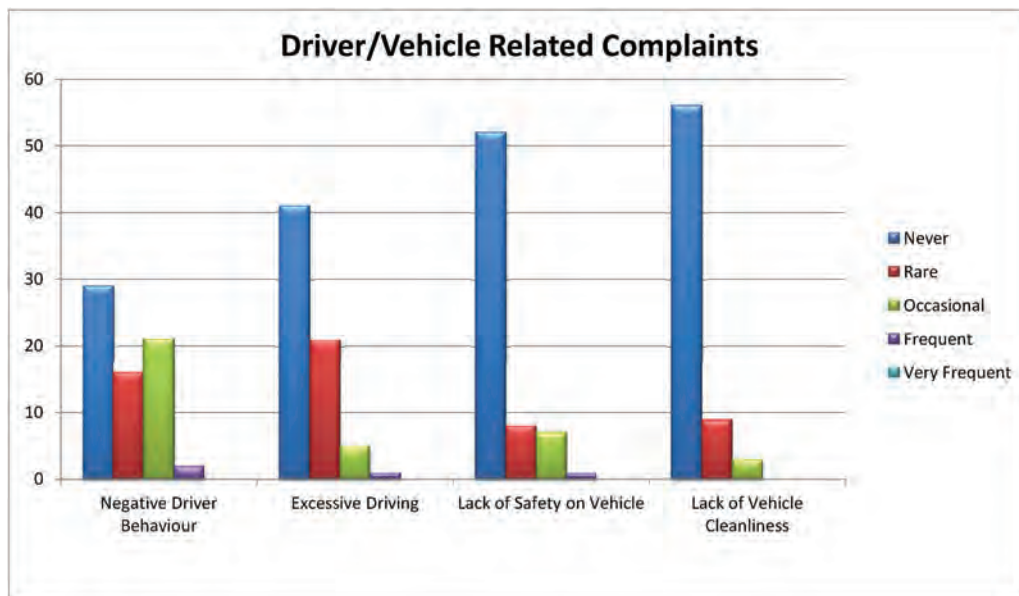
Figure 7: Trip/Route Related Complaints



Driver / Vehicle Related

A.43. The questionnaire also solicited respondents to indicate which one from five levels of frequency are driver and/or vehicle related complaints submitted by service users. Figure 8 presents a visual of the received results and shows “Negative Driver Behaviour” as the complaint with the highest “Frequent” and “Occasional” frequencies. On the other hand, respondents also indicated that service users are quite satisfied with vehicle cleanliness as it carries the highest number of “Never” frequencies.

Figure 8: Driver/Vehicle Related Complaints



Complaints: MEDE’s Reaction to NAO’s Observations

A.44. Throughout the analysis of the above replies, NAO recurrently observed that responding schools did not always include the identified complaints in the monthly performance report that they submit to the Ministry. Given that, as explained in greater detail in Chapter 4, payments and penalties are solely based on this performance report, these findings were presented to MEDE in order to gather its view on this matter. In

reply, the Ministry informed NAO that the monthly reports submitted by schools are vetted by the ELSU, and reconciled with any complaints received by the Ministry itself throughout the corresponding month. MEDE Officials further informed this Office that, should received complaints not feature in the monthly performance report, the school is consequently informed and instructed to correct the document accordingly. This measure, MEDE asserts, serves as a safeguard against the eventuality that any complaints received by both the schools and the Ministry are not included in the first version of the report.

Student Welfare during Trips

A.45. Given that student welfare is of paramount importance (and especially in view of the fact that negative student behaviour and negative driver behaviour featured significantly in the questionnaire feedback), responding schools were queried on who is assigned with this responsibility during trips. Each respondent was presented with 4 options (including one “other” option) and was directed to choose all which apply. Replies to this query varied significantly, with the majority of respondents (42) stating that this responsibility (partly or fully) falls with the driver, while 19 respondents indicated that the school Official responsible for transport was also entrusted with student welfare. It is important to note that five schools clearly indicated that no one is responsible for the students during the trip. Other replies stated that such a responsibility lies (fully or partially) with the bus prefect, teachers, LSAs, the Head of School, MEDE or even the Service Providers.

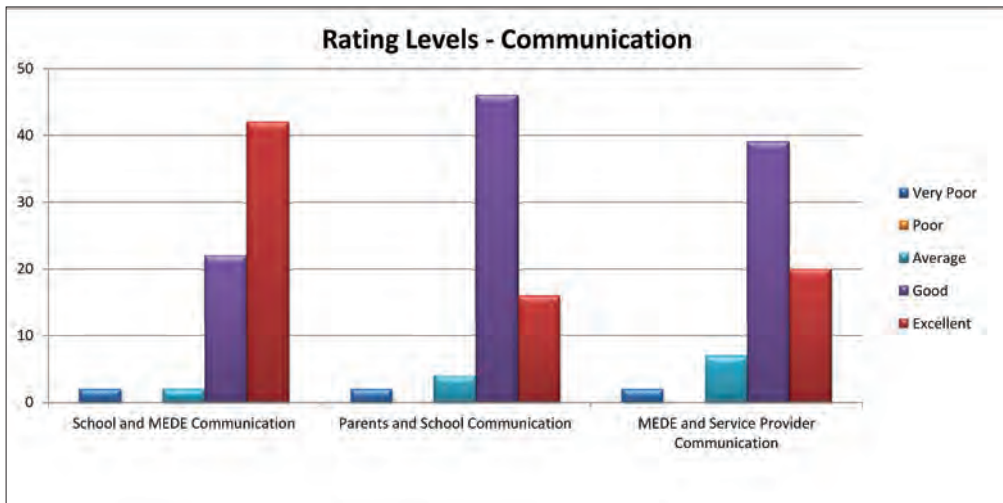
Communication with the Ministry

A.46. The questionnaire further solicited information on the channels through which complaints are communicated with MEDE, to which the most common reply (39 schools) included the use of e-mails. Communication by telephone is also frequently used, as confirmed by 22 respondents while some of the remaining respondents remarked that they never referred any received complaints to the Ministry. NAO also noted that five other schools did not submit a reply to this question. When queried on what results are generally observed following such actions, the majority of responding schools (65%) once again confirmed that complaints are normally resolved. It is to be noted however that 9% of the respondents asserted that while complaints are normally resolved, they tend to eventually resurface. It is worth noting that only one school stated that complaints are normally not resolved following communication with MEDE with another stating that issues are only resolved after excessive delays. An additional two schools asserted that only minor complaints are resolved, with the more serious ones generally remaining unresolved. The remaining schools did not provide an answer to this question.

Rating Levels

A.47. The final query in this administered questionnaire solicited responding schools to submit their own ratings on a number of aspects of the school transportation service. As a start, respondents were queried on the adequacy of communication between the involved stakeholders. Received feedback was categorised into three, namely communication between: the Ministry and the respective school; the parents and the school; and the Ministry and the service provider. For each category, the respondents had to provide a rating from five provided different levels, ranging from “Very Poor” to “Excellent”. Figure 9 presents a visual of the generated results.

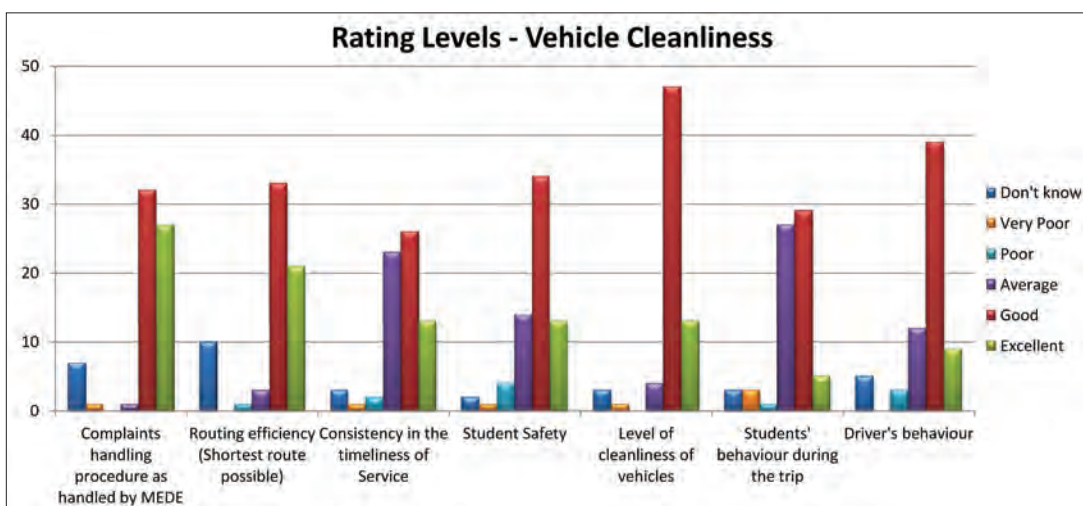
Figure 9: Rating Levels - Communication



A.48. As can be seen in Figure 9, communication between stakeholders was mostly rated above average, with only two schools giving a “Very Poor” rating in each category, while the strongest channel of communication was quoted as that being between schools and the Ministry.

A.49. The questionnaire further solicited information through which the audit team could gauge the respondents’ level of satisfaction on a number of other issues. As can be seen in Figure 10, the level of vehicle cleanliness was the highest rated of all presented factors, with 60 positive (Good and Excellent) ratings. This was closely followed by the Complaints Handling Procedure (59). On the other hand, responding schools were of the opinion that there is still significant room for improvement insofar as “Consistency in the Timeliness of Service” and “Student Behaviour during the Trip” are concerned.

Figure 10: Rating Levels - Vehicle Cleanliness



A.50. Responding schools were then asked to provide a single overall rating on the quality of the school transportation service. A likert scale ranging from 1 to 5 was presented for this purpose, with 1 denoting the lowest and 5 the highest score. Replies to this query show that 63% of the responding schools consider the school transportation service as good (scale 4), 18% consider the service of average quality (scale 3), while 15% rated the service as excellent (scale 5). NAO however also noted that 1% and 3% of the responding schools rated the overall service as poor (scaled 2) and very poor (scaled 1) respectively.

Changes Recommended by Responding Schools

A.51. This section puts forward three qualitative questions aimed at gathering any recommendations for changes from the responding schools other than those already tackled through the questionnaire itself. These three questions were structured to categorise the forwarded recommendations between: those intended to be considered by MEDE; those by the Service Providers; as well as those aimed at improving the system in general.

MEDE

A.52. The first part of this section looks into suggestions forwarded by the responding schools which are aimed at what MEDE can do to improve the service. It is worth noting that 46% of the responding schools submitted no reply to this question, with another 15% stating that they have no changes to suggest while commending the Ministry for its work. From the remaining replies, NAO observed that the topic of supervision during trips was the most common across respondents. Some schools suggested that a CCTV system should be installed inside each vehicle, while others encouraged the promotion of awareness among parents on the impact that student behaviour has on the quality of the service. Other forwarded suggestions include:

- The introduction of a capacity buffer to cater for students who would need to start using the service well into the scholastic year;
- The assignment of personnel to supervise students onboard vehicles, thereby mitigating the risk of bad behaviour;
- The promotion of further awareness on parents' responsibility for the students' behaviour while using the service, putting particular emphasis on the fact that the school transportation service is a concession and not a right. Additional information on how the service is intended to work could also be provided to parents, especially the fact that each student cannot be allocated more than one route (such as, the morning and afternoon routes being different from each other);
- The inclusion of regular spot checks on every route, especially during the first term of each scholastic year, to mitigate any problems till the service settles down.
- The better alignment of vehicle size/type to better reflect the number of students who are eligible and actually making use of the service. This suggestion particularly emanates from instances in which vehicles are under/overutilised.
- To allow for a contingency of vehicles in cases of late and/or cancelled trips;
- The assignment of the same driver for the morning and afternoon trips on every route;
- A system whereby drivers replacing outgoing counterparts should be well informed about the route.

Service Providers

A.53. The second question looks at any suggestions forwarded by the respondents regarding improvement from the part of the service providers. It should be noted that in this case, replies were submitted by 51% of the responding population, with the remaining schools refraining from providing an answer. Of the schools which replied to this question, 7 stated that they have nothing further to suggest as they are satisfied with the service providers' performance. The remainder of the received

replies focused on two main topics, namely: the fact that providers service more than one route from the same school with the same vehicle during either morning or afternoon trips; and that when drivers are replaced with new counterparts, the latter are usually not sufficiently informed with all the details of the official route. Other forwarded suggestions include:

- The increase in the flexibility of service during the scholastic year. This was suggested due to the fact that the number of students availing of school transport varies throughout the scholastic year. This is particularly the case towards the final months of each scholastic year with fifth formers finishing school earlier, during half days as well as in the case of special school events (such as sports days, parents days, etc);
- The enforcement on the provision and use of seatbelts;
- An increase in the uniformity of service as, in some cases (mostly afternoon trips), service providers exceed the 30 minute student waiting limit due to other commitments;
- Making sure that replacement vehicles should have the same capacity as the vehicles they would be replacing;
- To improve driver behaviour;
- That service providers should not commit themselves to perform more trips than they are capable of providing;
- The introduction of onboard supervision on all vehicles. A CCTV system was once again suggested;

School Transport Service in General

A.54. Respondents were also asked to put forward any suggestions they might have which would improve the transport system in general. It is worth noting that 50% of the population left this question blank. On the other hand, from the respondents who did provide an answer, 8 schools stated that they are satisfied with the service being provided and consequently have no particular proposals for improvement. It is also worth highlighting that some respondents repeated the comments/suggestions they had presented in the previous two questions, and therefore the issues brought up are relatively similar to the ones discussed earlier. In fact, the predominant issues were once again related: to the provision of onboard supervision during the trips; the installation of a CCTV system in each vehicle servicing the contract; and service providers not having the necessary vehicle capacity to perform the assigned routes. Other notable suggestions include;

- To have a stand-by coach during afternoon trips in case of accidents or breakdowns;
- The introduction of an online system where parents can apply for the public school transport service;
- The possibility for schools to suspend students who misbehave during the trip;
- The benchmarking of the public school transport service levels against those of privately engaged transport services.

Appendix B – NAO’s Results and Findings from the Administration of Parents’ Perception Questionnaire.

Parents’ Perception

- B.1. NAO considers the perception of school transport end users as a key measure in the assessment of the quality of the service being provided. To this end, this Office devised a questionnaire with which to gather this information. The value of this exercise increases when coupled with the schools’ perception on the same service presented in the preceding parts of this Chapter.
- B.2. This questionnaire was administered to end users who utilised this service during the scholastic year 2014/2015. For ease of analysis, questions were categorised into five main sections, namely:
- i. **Morning Trips** – Trips involving the picking up of students from designated pick-up points till the arrival of the same students at the respective schools;
 - ii. **Afternoon Trips** – Trips involving the pick-up of students from the respective schools back to the designated drop-off points;
 - iii. **Vehicle and Driver Details** – Information on the vehicles being used to service the relevant routes as well as on the drivers operating these vehicles;
 - iv. **Complaints** – A compilation of users’ negative experiences while using the service, as well as information on how these complaints are processed; and
 - v. **Others** – The end users’ overall rating of service quality and any suggestions for service improvement.

Sampling Methodology

- B.3. In order for NAO to derive a representative end user sample to whom the questionnaire was consequently administered, information on all students attending State schools was required. This data was consequently solicited from MEDE and upon NAO’s instruction, all forwarded information was masked by the Ministry to preserve data protection prior to onward transmission to this Office. The received data was then sorted and made ready for subsequent analysis by the audit team.
- B.4. The two contracts under NAO’s review service a total population of more than 10,000 students. To this end, a random sampling model was adopted to attain the required information. In view of the different service levels for primary and secondary school students, the sample was proportionately split between these two categories. This resulted in a primary school sample of 87 students (out of a total population of 2,459) and a secondary school sample of 284 students (out of a total population of 7,984). It is important to note that the secondary school sample covers students from both middle and secondary schools as the contractually binding service levels for these two categories are identical. The sample sizes were determined through established statistical methods, seeking a confidence level of 95% with a 5% margin of error.
- B.5. Once the samples were established, NAO carried out a pilot study in which the first 60 respondents (14 from Primary Schools and 46 from Secondary Schools) were contacted and emerging response patterns were subsequently analysed. Specifically, this was

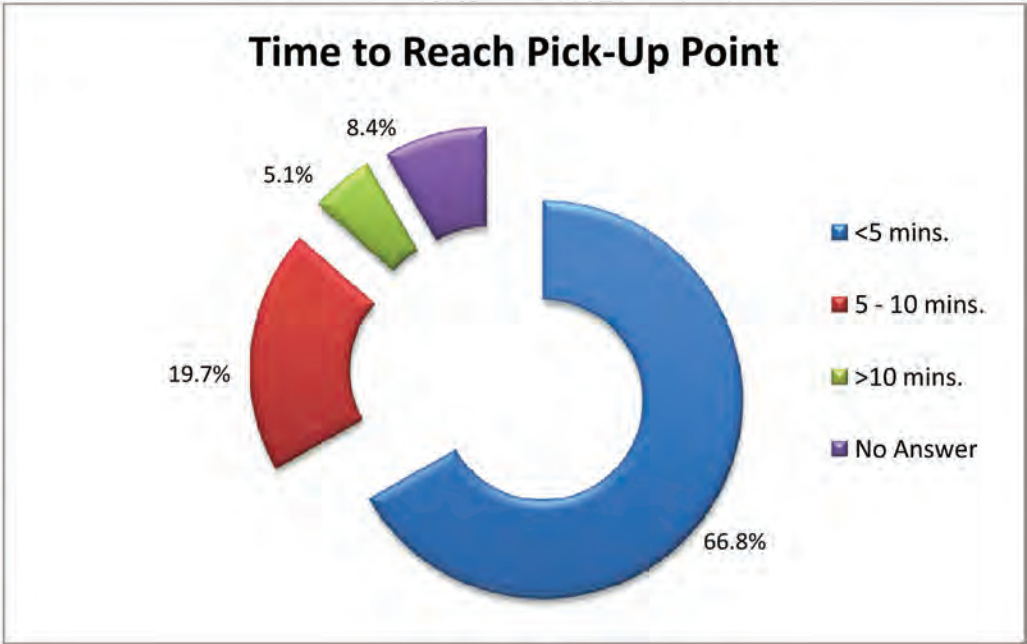
done to establish the expected response rates during the full-scale administration of the questionnaire, as well as the daily time-window which registers the highest number of replies. It must be noted that in order to successfully register the 60 responses required for the pilot study, this Office performed a total of 136 calls, which translates to a response rate of 44%. When classified by hourly time windows, the audit team observed that the calls with the highest success rate (52%) were made after noon, while the calls with the lowest success rate (39%) were made between 10a.m. and 11a.m. After the completion of this pilot study, the audit team progressed to execute this questionnaire exercise in full (that is, the full chosen samples) while taking advantage of the knowledge obtained through the former study.

B.6. In order to achieve the required 371 responses, the audit team had to perform a total of 744 telephone calls. In view of the fact that the questions were to be administered by telephone, a series of guidelines were established on the process to be followed to ensure that results are not skewed in any way. By way of an example, the audit team determined that for an attempt to be considered as failed, a maximum of five telephone pulses without reply was to be allowed. It was also established that every respondent was allocated not more than three attempts. In the eventuality that both of these parameters yielded no result or a successfully contacted candidate refused to participate in NAO’s study, the respective respondent was excluded from the sample and replaced by the next random selection. NAO further highlights that, during instances where telephone calls were answered by children, these were asked to forward the call to their respective parents/guardians.

Morning Trips

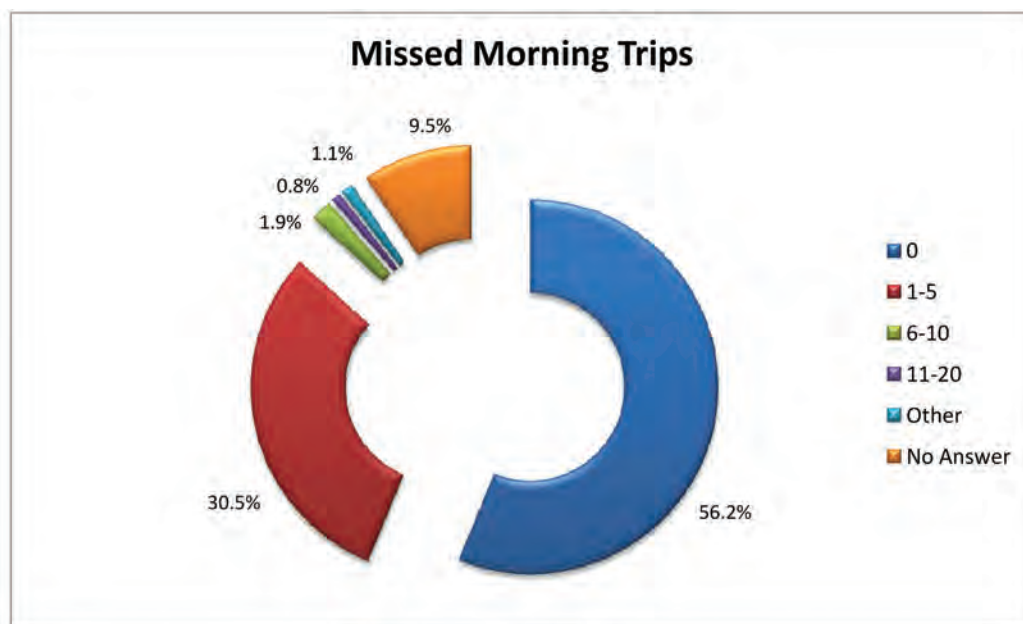
B.7. In this first part of the questionnaire, the respondents were queried on the time it takes students to reach the pick-up point every morning (Figure 11 refers). From the three options provided, 66.9% of the replies showed that it takes students less than 5 minutes to reach this point, another 19.7% stating that the students need 5 to 10 minutes to get to this location, while an additional 5.1% asserted that they required more than 10 minutes to reach the designated pick-up point.

Figure 11: Time to Reach Pick-Up Point



B.8. Asked on the number of morning trips which were not performed by the respective service provider during the scholastic year in question, 56.3 % of the respondents did not report any such missed trips. On the other hand 11.6% confirmed that around two morning trips were missed during that year, while 8.9% stated that this occurred only once. The remaining replies quoted a range of between 3 to 20 missed morning trips. It must also be noted that some respondents stated that a number of morning trips were missed by service providers, however they could not accurately quote the exact number of occasions (marked in Figure 12 as 'Other').

Figure 12: Missed Morning Trips



B.9. Respondents were further queried on the earliest and latest times of morning pick-ups by service providers and subsequent arrival at school. This information was particularly sought by NAO to assess the service providers' performance against the service levels stipulated in clause 1.3.1. of the contract. In view of the fact that, as described in greater detail in Chapter 2, the mentioned service levels only govern short distance routes (that is, less than 4km in length in the case of Primary Schools, and routes not exceeding 10km in length for Secondary Schools), replies were filtered so that only routes designated as short were analysed. It is however important to note that, notwithstanding the above parameters, data made available to NAO by MEDE classified all routes (both those servicing primary and secondary schools) as short or long based solely on whether these were within or exceeded a 4km radius. To this end, this Office could only analyse routes against set service levels if they fell within a 4km radius irrespective of whether these serviced primary or secondary schools, thereby having to omit routes servicing secondary schools with a distance of between 4 and 10kms (which routes are also governed by contractually binding service levels). Despite this limitation, NAO nonetheless carried out analysis on this filtered population (now standing at 155 respondents), and observed that 40 replies from primary school respondents indicated that the service they are provided with by suppliers does not strictly adhere to the aforementioned contractually set standards. With regards to the filtered population of secondary school respondents, this Office noted that 17 replies confirmed that they have experienced a breach in the service levels governing morning pick-ups.

B.10. In addition, replies received provided this Office with an indication on whether the service providers operate consistently in terms of timeliness during morning trips. While most replies (30.7%) confirmed that the consistency in this regard is quite high, some (5.1%) reported that pick-up times can vary by more than 1 hour, with one case

reporting a variance of one pick-up time of up to 2.5 hours (with this particular case reporting one morning pick-up at 10am).

B.11. Given that the time at which students arrive at school in the morning is also governed by contractually binding service levels (clause 1.3.1 of the contract refers), respondents were queried on the providers’ performance in this regard. Forwarded replies on this question show that 20% of the total respondents reported that, on occasions, students arrived after school starts in the morning. In fact, this Office notes that out of this 20% segment, 16 cases reported sometimes arriving later than 30 minutes after school started, with two particular cases even exceeding one hour of lateness.

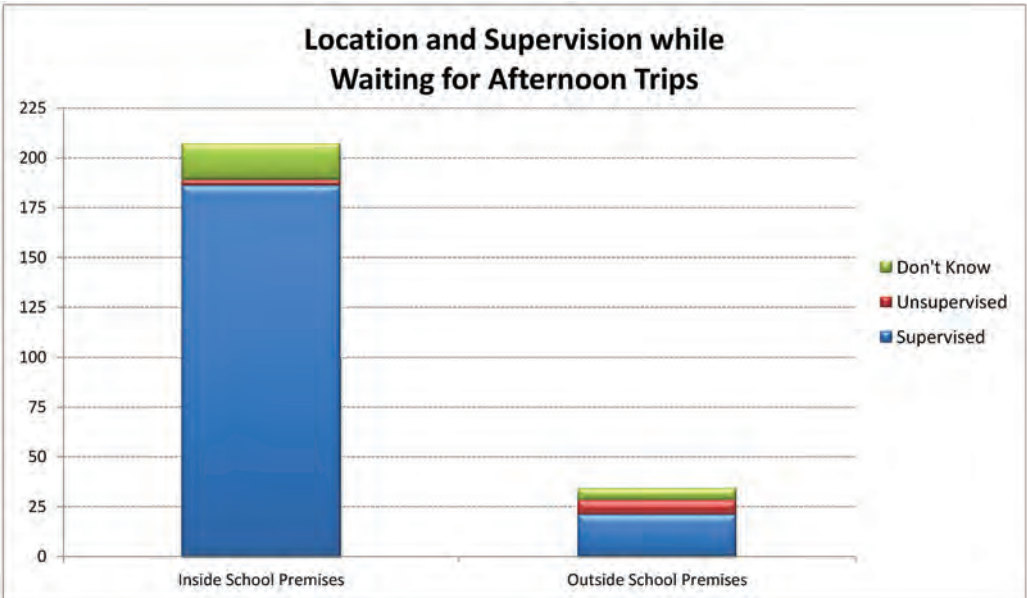
B.12. This section also solicited information on whether schools were found to be open when the students making use of school transport arrive in the morning. Replies to this query were largely in the affirmative, with only 8 negative replies from the total number of respondents.

Afternoon Trips

B.13. Information gathered from this part of the questionnaire shows that 51% of respondents confirm that school transport vehicles are always, or nearly always, already on site at the respective schools before the end of school day. In these instances therefore, students board vehicles practically instantaneously. On the other hand, NAO notes, 24% of the total respondents stated that the vehicles are only sometimes found waiting for the students in the afternoon, with another 21% asserting that this is rarely or never the case. The remaining respondents (4%) could not answer this question as they could not recall if vehicles are found waiting for the students in the afternoon or not.

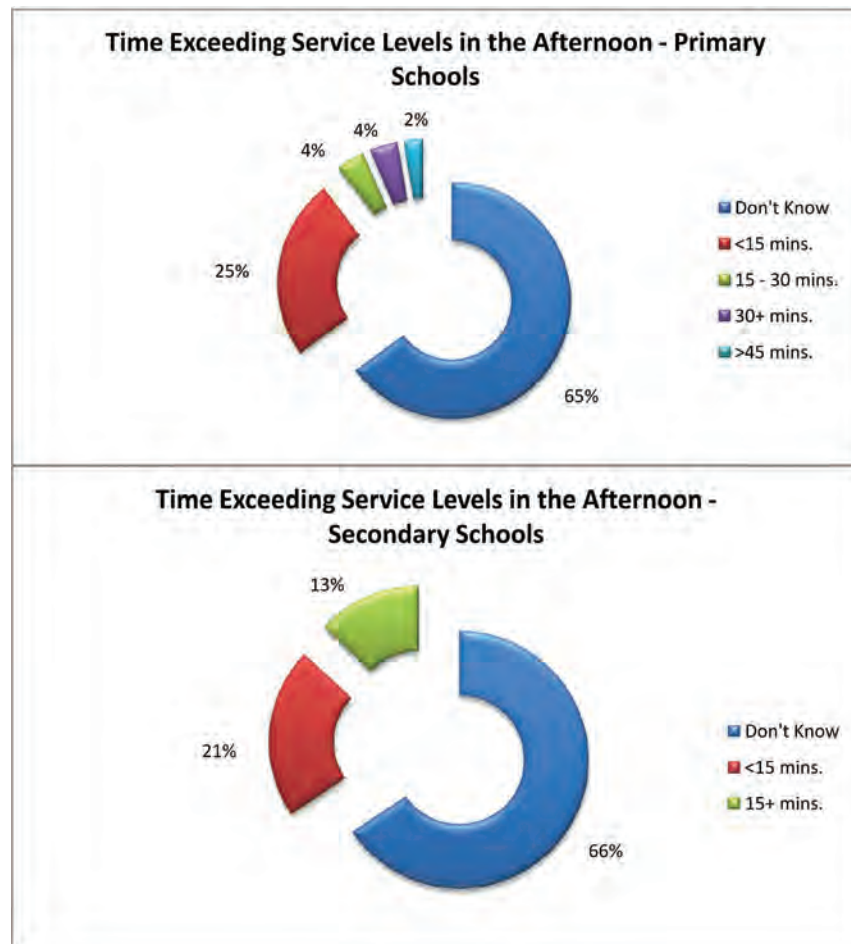
B.14. When asked where students wait for transport in the afternoon, most replies (56%) showed that the students are assembled within school grounds, of which 3 respondents indicated that students are not supervised during this time. On the other hand, 9.2% of respondents asserted that students wait for transport outside school premises, seven of whom further confirming that no supervision is provided during that time. Figure 13 presents these results graphically.

Figure 13: Location and Supervision while Waiting for Afternoon Trips



B.15. Given that the maximum time students can be left waiting for transport in the afternoon is regulated in the signed contract (clause 1.3.1 of the contract refers), respondents were invited to gauge the performance of the service providers in this regard. As can be seen in Figure 14, NAO found that 22.9% of all respondents (both primary and secondary) experience a breach in the contractually binding service levels, that is, vehicles reportedly collected students later than the contractually permissible waiting time. This Office further noted that 17 out of the 19 respondents who reported a breach in the 15 minute waiting time limit in the case of primary schools, asserted that this service level was infringed by as much as an additional 15 minutes. The remaining two cases informed NAO of even greater delays, citing additional waiting time of up to 30 minutes and exceeding 45 minutes respectively. On the other hand, 24 respondents from the secondary school sample asserted that the 30 minute stipulated waiting time was exceeded by up to 15 minutes, with another 14 respondents stating that this same service level was exceeded by more than 15 minutes.

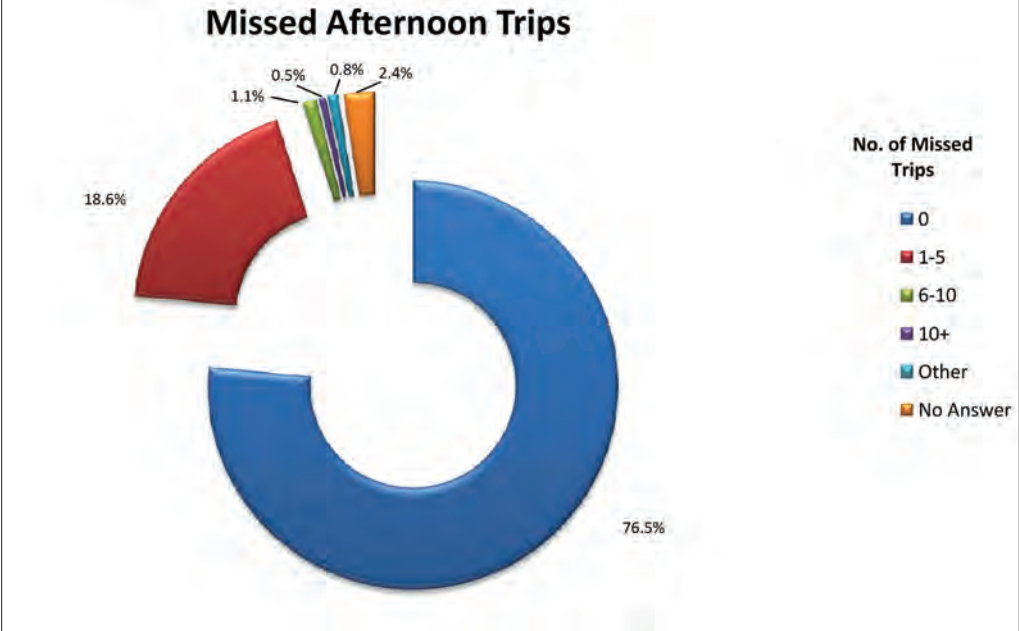
Figure 14: Time Exceeding Service Levels in the Afternoon



B.16. Respondents were further queried on whether the service provider defaulted on any afternoon trips and if any alternative options were provided in such instances. The total number of replies stating that some afternoon trips were missed by the provider (Figure 15 refers) amounted to 81 cases (21% of all respondents). While 69 of these respondents further informed this Office that between one and five trips were missed during the scoped period, one particular respondent claimed that as much as 30 trips were missed during the scholastic year in question. It must also be noted that replies given by 3 respondents were classified as “Others” by the audit team as, while these confirmed that some afternoon trips were missed, they could not recall the exact

number. NAO further notes that from the 81 replies claiming that some afternoon trips were missed, 24 stated that no alternative transportation option was offered by the respective service provider. This means that students themselves had to find another way to get back home, which usually meant either calling their parents, walking or using public transport.

Figure 15: Missed Afternoon Trips



Vehicle and Driver Details

- B.17. This section of the questionnaire featured a number of questions to determine the type, adequacy and quality of the vehicles being utilised to provide the service, together with any issues on the drivers operating such vehicles. It is important to note that these questions were intended to generate feedback on both the morning and afternoon trips.
- B.18. Information was solicited from respondents on the type of vehicles used to service the student population. As can be observed in Figure 16 and Figure 17 the majority of respondents stated that students are transported to and from school by coaches. NAO however asserts that the reason for the result showing an overwhelming percentage of students being transported by this type of vehicle, does not conclusively determine that this type of vehicle is particularly more extensively used than their counterparts. This Office however notes that this is a natural outcome in view of the significantly larger capacity these vehicles have over others. In interpreting the results illustrated in Figures 16 and 17, the 'No Answer' in Figure 16 signifies instances in which the service user only avails of school transport in the afternoon. The same applies in vice versa in Figure 17.

Figure 16: Percentage of Students per Vehicle Type for Morning Trips

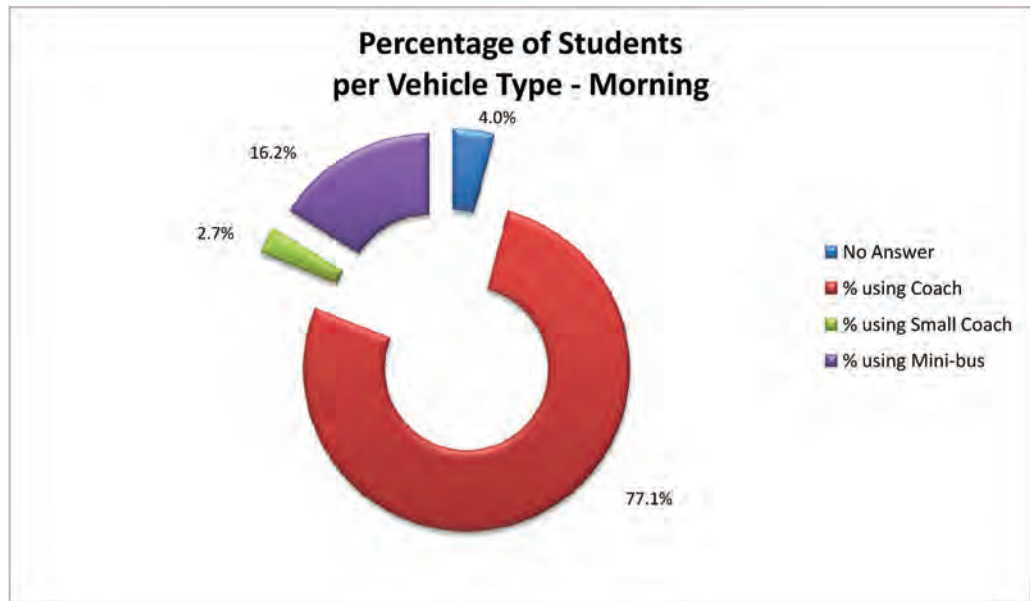
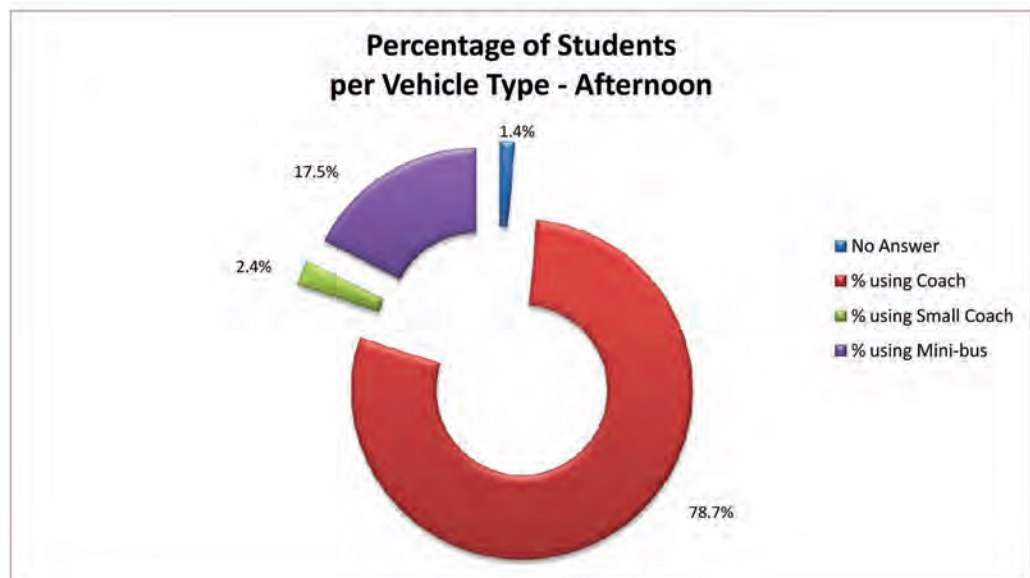


Figure 17: Percentage of Students per Vehicle Type for Afternoon Trips



B.19. The questionnaire also solicited an insight on whether the vehicles used for school transport are overcrowded or otherwise during morning and afternoon trips. Insofar as morning trips are concerned (Figure 18 refers), 86.2% of respondents replied that the vehicles are not overcrowded, with an additional 6.5% claiming that the vehicles are always or nearly always filled beyond their capacity. This Office also observes that the remaining 7.3% had no reply to this question as they did not use the service in the morning. This distribution of replies was somewhat similar in the case of afternoon trips (Figure 19 refers), with 89.5% confirming that the vehicles are never overcrowded, and an additional 7.3% claiming that the vehicles are always or nearly always overloaded. The remaining 3.2% of respondents did not answer this query as they either did not know if the vehicles are overcrowded or stated that the students do not use the service in the afternoon.

Figure 18: Overcrowding in Morning Trips

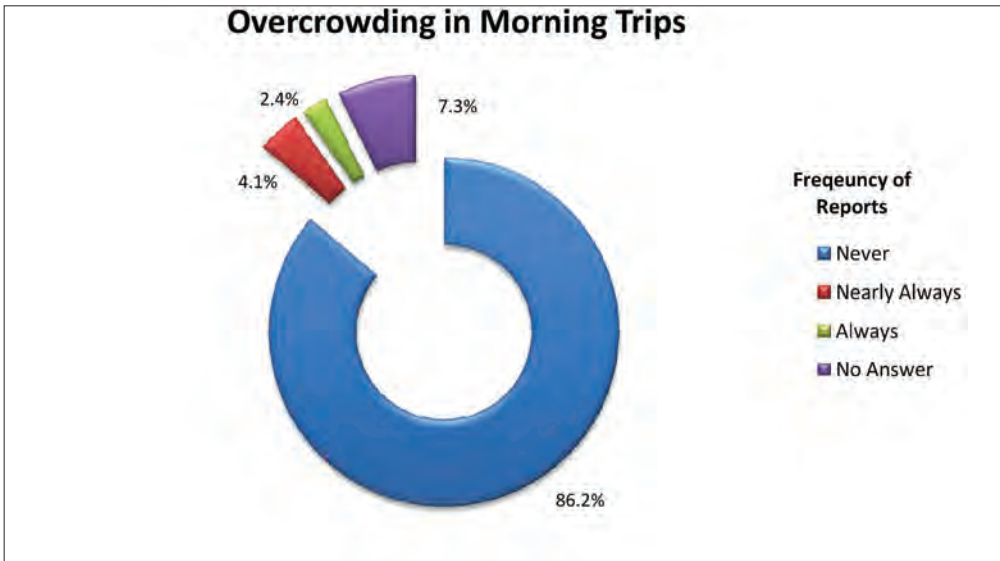
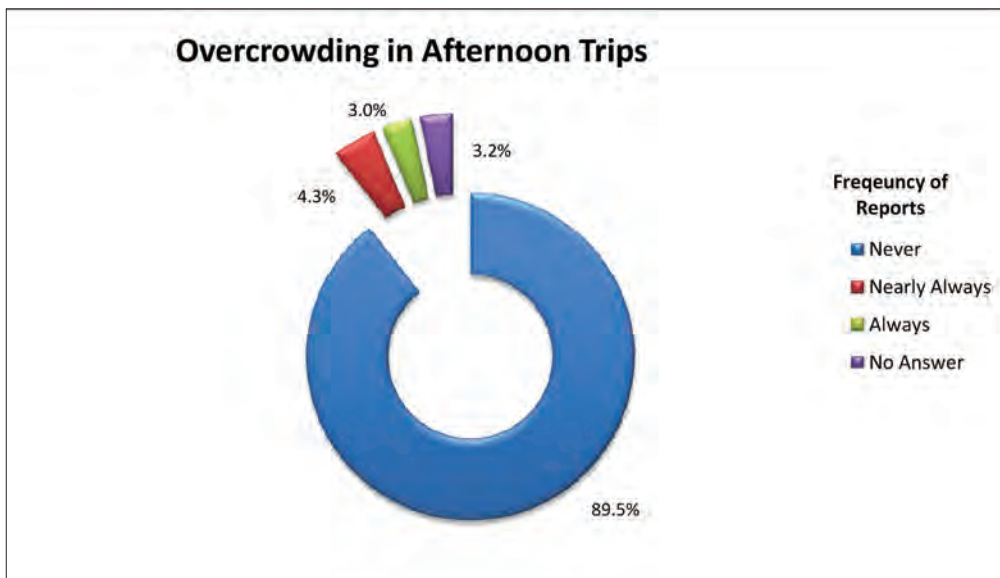


Figure 19: Overcrowding in Afternoon Trips



B.20. Feedback on vehicle cleanliness was also solicited, with 76.6% of the respondents stating that the vehicle was always or nearly always clean in the morning. From the remaining respondents, only 13 (3.5% of all respondents) claimed that the vehicle used for the morning trip was never clean. Similarly, when enquiring on the same issue during afternoon trips, NAO noted a 78.4% response rating stating that the vehicle was always or nearly always clean, while 16 replies (15.1% of the total population) remarked that the vehicle was always dirty.

B.21. Respondents were next queried on whether any students from other schools are transported on the same vehicle during morning and/or afternoon trips. 308 of the replies confirmed that only students from the same school board the vehicle in the morning. A similar response can be found in the case of afternoon trips, with 322 confirming that no students from other schools board the assigned vehicles. On the other hand, 26 respondents claim that students from other schools always, or nearly always, boarded the vehicle in the morning. This same amount of replies commented likewise with regard to afternoon trips.

- B.22.** Feedback on driver behaviour featured similar results between morning and afternoon trips, with a positive feedback (of “good” or “generally good”) on driver behaviour being registered in 87.1% and 89.8% of the population respectively. On the other hand 6% of the respondents claimed bad behaviour by the driver during morning trips, while 7% of the replies showed that such negative driver behaviour featured during afternoon trips. Instances of bad driver behaviour were further highlighted in respondents’ general comments, presented in B.38.
- B.23.** The last question in this section queried respondents on whether the same route is followed during both morning and afternoon trips. A total number of 281 respondents (75%) replied in the affirmative while 19 replies (5%) stated that the routes differed between the morning and afternoon trips. NAO notes that that the remaining 20% of respondents were not in a position to answer this question.

Complaints

- B.24.** This part of the questionnaire sought information on the most common complaints among the respondents on the school transport service as well as on whether these were followed up and resolved or otherwise. As a start, respondents were queried on what they dislike about the service, if anything at all. A list of possible complaints (including an open-ended ‘Other’ option) was read out to the respondents as guidance. Respondents could select more than one option and therefore, the total number of responses naturally exceeds the number of respondents. Table 9 presents the frequency for each of the complaint topics presented to respondents, except those identified under ‘Others’.
- B.25.** As can be seen in Table 9, when prompted by NAO to highlight the more dominant concerns, from a provided list, on the service in question, 36.5% of the interviewed respondents selected the “Nothing” option, signalling no concerns from these respondents. On the other hand, the actual complaint featuring the highest frequency is that students take too long to arrive home after school finishes. Children getting to school too early in the morning and bullying during the trip were the complaints with the second and third highest frequency respectively.

Table 9: Concern Frequency

Concern	Response Frequency	% of Respondents
Long time spent waiting for transport in the morning	41	11.1%
Child gets to school too early	54	14.6%
Long time span from school end-time to arrival at home	84	22.7%
Inconsistent timing	45	12.2%
Missed Trips	5	1.4%
Bullying during the trip	54	14.6%
Vehicle Overcrowding	19	5.1%
Dangerous Driving	30	8.1%
Nothing	135	36.5%
Other	49	13.2%

- B.26.** Insofar as the ‘Others’ option is concerned, NAO noted that, from the 51 replies selecting this option, the most commonly highlighted concerns were: driver behaviour (which ranged from the use of bad language to smoking); and the fact that there are no shelters in certain pick-up points to protect school children from bad weather.

- B.27.** Information was further solicited on which entity the respondents forward their complaints to. Similarly to the previous question, respondents were provided with a list of options as guidance, from which they could choose one or more entities to which they forward their complaints. The majority of respondents (68.5%) once again stated that they have never lodged a complaint, however as can be seen in Table 10, in cases where complaints were actually lodged, most respondents stated that these are forwarded to the schools.
- B.28.** The final question in this section asked if any remedial action was noted following the lodging of any complaints. Replies forwarded to NAO showed that only 49.5% of complaints were completely resolved. In the other cases, respondents reported only temporary progress, little to no progress or even no progress at all. While this analysis provides an insight on how effectively complaints are being handled in the respondents' view, NAO also analysed these replies in conjunction with those in the previous question (that is, with which entity these are lodged) to determine the performance of each entity in this regard. Reference is once again made to Table 10, which illustrates the results of this exercise;

Table 10: Complaints by Entity

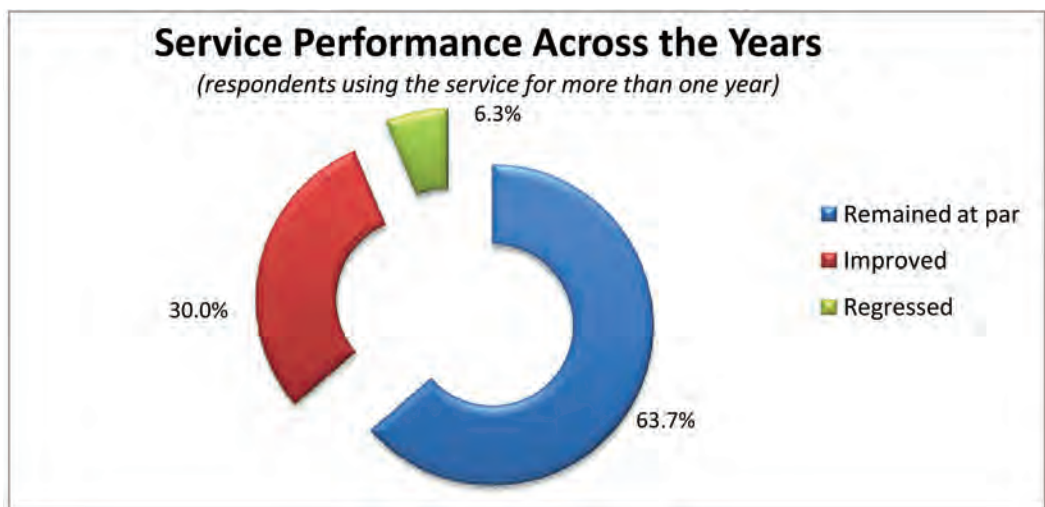
Entity Receiving Complaint	Outcome	No.
<i>School</i>		92
	Completely Resolved	44
	Temporary Progress	2
	Little to No Progress	14
	No Progress	32
<i>Ministry for Education and Employment</i>		14
	Completely Resolved	10
	Temporary Progress	-
	Little to No Progress	1
	No Progress	3
<i>Vehicle Driver</i>		5
	Completely Resolved	3
	Temporary Progress	1
	Little to No Progress	1
	No Progress	-
<i>Service Provider</i>		3
	Completely Resolved	2
	Temporary Progress	-
	Little to No Progress	-
	No Progress	1

- B.29.** As can be seen in Table 10, from the 92 respondents who reported that they forward their cases to the respective schools, 44 informed this Office that these issues were subsequently completely resolved, while an addition 32 respondents reported that the complaint was never resolved. The remaining cases forwarded to the schools experienced little to no progress or only temporary progress. Table 10 also shows that in most of the other entities, the majority of complaints were resolved.

Overall Performance

- B.30. The final section of this questionnaire started off by soliciting information on whether the scholastic year in scope was the first in which respondents were making use of the transportation service or otherwise. Replies showed that 71 respondents were using the service for the first year, with the remaining 299 respondents informing NAO that they had been using the service for more than one year.
- B.31. The 299 service users who indicated that this was not the first year using this service, were consequently queried whether they noted any changes in the performance of the service provision along the years. The distribution of these replies is presented in Figure 20, which namely shows that: 190 of these respondents feel that the service's performance has remained at par to previous years; 90 feel that the service has improved; while the remaining 19 asserted that the performance of the service has regressed.

Figure 20: Service Performance Across the Years



- B.32. Moreover, this section also prompted the respondents to give an overall rating on the service provided on a scale of 1 to 5, with 5 being the highest rating. As can be noted from Figure 21, most of the users have rated the service positively at 4 or 5 (73.1%), while only a total of 5.4% rated the service at 1 or 2, with the remaining 21.5% rating the service as average at 3.

Figure 21: Service Rating



B.33. The final question of this questionnaire solicited for any additional feedback the respondents wished to provide, including any suggestions for the service's improvement. NAO noted that respondents, on the most part, made reference to the fact that the service in question is free of charge and that good driver behaviour is generally experienced. Notwithstanding the above however, four salient proposed recommendations for improvements were identified, which namely are:

- The need for supervision of students while waiting for transport and on board the vehicle, particularly to help reduce the risk of children bullying each other and prevent misbehaviour that could distract the driver.
- Route revision to reduce certain long routes in which students are picked up very early in the morning and arrive back home later than usual in the afternoon.
- Better time management to enhance consistency in the pick-up times both in the mornings and afternoons.
- The need for shelters at pick-up points so that students are protected from the elements when waiting for transport in the morning. Two users also reported that students are left outdoors (within school grounds) during inclement weather when waiting for transport in the afternoon.

Other Remarks

B.34. Throughout the administration of this questionnaire, the audit team noted additional comments which were made by respondents other than those strictly solicited by the set questions. The more prominent points generated through these, are represented hereunder.

B.35. One of the frequent issues brought up by 30 respondents was that the same vehicle would be used to service more than one route either in the morning or in the afternoon. NAO was additionally informed that such a situation would usually result in: either students on the first morning trip being picked up very early so that the vehicle is not late for a second trip; or students of the second afternoon trip having to wait for a relatively long period of time to allow for the vehicle to return from a previous journey. This Office is in a position to substantiate these claims through its own site visits. Other users reported that routes are sometimes amalgamated, that is, more than one route is performed in the same trip. This, respondents highlighted, leads to increased duration of the trip and in some cases, vehicle overcrowding.

B.36. NAO was additionally informed that there were two instances in which respondents lodging complaints on early or late pick-ups with schools, were respectively advised by the latter that they cannot do anything about such a situation since the vehicle needs to perform more than one trip. These particular parents further asserted that schools directed them to tackle the issue directly with the respective drivers. NAO also takes particular note of a comment made by one service user asserting that the respective college (which hosts two different schools in very close proximity, one for boys and the other for girls) has amended its opening times for both schools to accommodate a capacity limitation in the service provider's fleet of vehicles. In so doing, NAO notes that the supplier was allowed to perform multiple trips with the same vehicle, while artificially adhering to the set contractual obligations. When presented with this latter consideration, MEDE Officials asserted that this is not the case while further explaining that opening times are not determined solely by factors related to school transport service, but also by other considerations such as road networks and school infrastructure.

B.37. Another notable concern raised by nine respondents, related to the designated morning pick-up point locations. Among these, users commented on the distance between their home and the pick-up points in question, asserting that these are too far away for children to travel to safely and on time every morning. Others also complained that the pick-up point is situated in a somewhat dangerous location (such as in a major arterial road), citing concerns on their children's safety which may be put at risk both while commuting to the said location and while waiting to be picked up. Interviewed parents also expressed concern on the lack of shelter at pick-up points which exposes their children to the elements during inclement morning weather. NAO also noted that, while most of these respondents realise that it is impractical to have transport pick-up their children from right outside their front door, they are however concerned with the fact that their children have to walk somewhat long distances to the designated location while carrying their relatively heavy school bags. It is interesting to note that some of the respondents stated that, in view of these concerns, they have had to commission private transportation to get the children from their house to the designated pick-up point location. When presented with this feedback, MEDE explained that every effort is made so that pick-up points are set at the most convenient locations for service users. The Ministry also confirmed that it is not possible to individually cater for all convenience related requests of every service user due to obvious logistical and practical constraints. MEDE Officials yet further asserted that in cases whereby reaching a designated pick-up point necessitates the crossing of an arterial road in which no adequate pedestrian crossing is available, the route is adjusted accordingly. Specifically, NAO was informed that MEDE either includes a new pick-up point, or changes the already existing one to eliminate associated risks.

B.38. Inadequate driver behaviour was another common concern identified by the contacted respondents. NAO was informed that some students report drivers adopting a generally rude attitude, using bad language, smoking and/or using mobile phones while driving. Cases of particular note include instances in which respondents asserted that drivers: bully students; drive dangerously; and drop students off a considerable distance away from the designated drop-off point. One other respondent also alleged that, during one particular morning trip, the driver stopped for a break and then proceeded to drive dangerously fast to make up for lost time. NAO also noted reports stating that drivers insisted that the students should commute home by public transport or any other means of their own choice, following a vehicle breakdown. These instances, this Office observes, go against the spirit of clause 8.2.1 of the contract, which states:

“ . . . in the event of an unscheduled service breakdown during the provision of transport services on a particular route the service provider is to inform the contract manager of the Directorate within thirty (30) minutes in the event of a breakdown and the action taken by the service provider to reactivate services within the shortest, but in the safest way, possible”

B.39. One final comment was made by six respondents who stated that complications in the transportation service were experienced during the examination periods, particularly variations during pick-up times in the afternoon due to the fact that not all students would finish at the same time.

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