

The Committee noted that the Audit Commission had conducted a review of the Marine Department (MD)'s management of the government fleet.

2. The Committee did not hold any public hearing on this subject. Instead, it asked for a written response to its enquiries.

3. The Committee noted that the MD had accepted all the audit recommendations set out in the Director of Audit's Report, namely, those relating to:

- operation of the MD crewed fleet;
- administration of in-house maintenance work;
- administration of maintenance contracts;
- stock management; and
- extra downtime of vessels and performance measurement.

4. At the Committee's request, the **Director of Marine** provided, in his letter of 6 June 2006 in *Appendix 6*, the time schedule for implementing the various audit recommendations.

5. The Committee notes the reply of the Director of Marine and wishes to be kept informed of the progress made in implementing the various audit recommendations.