

MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT

INTRODUCTION

The Ministry of Finance and Economic Management (MFEM) is responsible for:

- The formulation of sound and effective national and economic and financial policies, including national development and sectoral priorities;
- Managing and coordinating the distribution of the Government's financial resources;
- Managing the collection of customs, excise and other charges for which the Ministry is responsible;
- Protection of Vanuatu's borders;
- Collecting and publishing reliable and timely data on the economic and social activities of Vanuatu; and
- Ensuring effective economic, fiscal and financial management of the resources it is entrusted to manage.

The ministry comprises the budget for the Department of Customs and Inland Revenue, National Statistics Office, Department of Finance and Treasury, and all the government Grant bodies. Apart from the normal operational budgets, the ministry also stores the budget for government loan repayments and other small budgets for specific programs of several other ministries e.g. Vanuatu National Scholarship Fund, Emergency Funds and Land compensation fund.

This report will discuss and highlight some of the major essential expenditure and budget issues for the ministry incurred in the second quarter of 2017. It will also include discussions on revenue and transfer of funds within the ministry, and finally give some recommendations for improvements for the remaining half of the year.

SUMMARY OF KEY FINDINGS

The Ministry of Finance and Economic Management (MFEM) budgeted for VT 533,962,218 in the second quarter of this year against a total actual expenditure of VT 1,184,401,966. In the same quarter last year, MFEM budgeted for VT 533,701,613 and spent VT 1,411,812,545, resulting in an overspending of VT 878,110,932. MFEM has already spent 17% of its annual budget for this year to date (January – June, 2017). Like in last year, the actual second quarter's expenditure went over budget by VT 650,439,748 due to overspending, unplanned expenditures and unrealistic cash flow budgeting, mainly for the Vanuatu government scholarship budget and the public debt Provision budget that have their budgets stored in period twelve.

Accumulated payroll saving was reduced from VT 24.3 million was realized in the first quarter to VT 11.9 million in the second quarter, due to virements processed in the second quarter which transfer part of the payroll savings to meet unbudgeted operational commitments. The long outstanding issue of recruitment still stands due to delay in recruitment processes which the management along with the public service commission should seriously consider in order to efficiently spent the appropriated budget and increase the government's service deliver through additional staffing. In the second quarter last year, MFEM underspent its payroll budget by VT 14.3 million. As seen in the previous years, it is likely for MFEM to incur payroll saving again at the end of this year.

The analysis also highlighted in table 2 below some of the major overspent items in yellow and major unplanned expenditures colored in red. Major recurring overspent items include interest on government bonds and loans, Vanuatu government scholarship fees, office rental, subsistence allowances, local travel, Transport Freight and Acting Allowances. These expenditures were overspent in the second quarter due to unrealistic cash flow budgeting, unplanned travelling expenses, etc. spending could only be fixed if the ministry realistically budget and spent according to its budget for each period, and only then we could see a change in overspend items when it comes to reporting.

Similarly, MFEM continues to have unplanned expenditures each quarter/year, as shown in table 2 below that in the second quarter it did not budget for repayment of reserve bank bond issues, interest on bonds, repayment of ADB loans etc., however, their entire budget was stored in period twelve. The issue of realistic budget is reemphasized here for the management's consideration and improvement in the next financial year.

Table 1 shows the expenditure summary by cost centre in the second quarter of this year.

MFEM – CABINET

Like in the same quarter last year, the ministry's cabinet budget was overspent again this year by VT 2.5 million. Overspending came mainly from overspent payroll expenses, particularly permanent wages. These overpayments were related to the cost of extra cabinet staffs getting paid under this cabinet's which were not budgeted for in the second quarter or the entire year, which will lead to accumulation of payroll deficit throughout the year. Otherwise, its operational budget was underspent by VT 1.1 million but could not be accessed due to higher payroll deficit. This could result in freezing of operational commitments in the future if the current payroll deficit continues to increase.

MFEM CORPORATE SERVICE UNIT

The corporate service unit which comprises of the office of the director general of MFEM, central tender board, Internal Audit Unit and the ministry executive officers overspent its second quarter's budget by VT 2.9 million this year against a budget of VT 21.8 million budgeted for this three months period, while in the same period last year it incurred a saving of VT 32.7 million due to virements made into the CSU budget head. Analysis shows that the negative figure came mainly from overspent and unbudgeted operational chart of accounts in the second quarter such as office rental costs which has its entire budget stored in December

and electricity Utilities. This cost is related to MFEM relocation costs for all the four departments under MFEM and has its budget stored under CSU. Apart from these major overspent items, there were other overspent and unplanned expenditure items that need to be realistically budgeted for in the future. CSU underspent its payroll budget by VT 2.1 million in the second quarter compare to VT 9.6 million last year. This spending rate will overspend the annual CSU budget.

DEPARTMENT OF FINANCE AND TREASURY

Apart from payments on behalf of the government (loans, interest, Emergency funding, scholarship, central payments) which were overspent by VT 713 million, the department of finance and treasury (DOFT) saved up to VT 46 million in the second quarter of this year compared to a deficit of VT 12 million realized in the same period last year. Analysis indicated that DOFT overspent mainly on its operational budget, while it saving up to VT 12 million as payroll savings due to delayed recruitments since the beginning of this year, although last year's record shows a negative payroll of VT 16 million at end of the second quarter. Total overspending under the 350 budget head in the second quarter of this year was VT 647.3 million, in which more than 90% of it was related to commitments made on behalf of the government and loan repayments.

Apart from these major overspent expenditures, DOFT also incurred some unbudgeted and overspent department related expenditures. For instance, the report shows that acting allowances, daily rated wages, subsistence allowances, consultant's fees, vehicle fuel, transport freight, stationary communications, office rental, court costs, local travel, etc., were not budget for in second quarter. Advances were made from future periods to enable commitments in the second quarter. Realistic budgeting and spending is essential in order to improve in the future. Like in the previous years, the department is likely to underspend its budget, particularly its payroll budget due to delay in recruitments and unspent operational budget.

DEPARTMENT OF CUSTOMS AND INLAND REVENUE

As the main revenue generating arm for the government, the Department of Customs and Inland Revenue (DCIR) has received additional recurrent budget this year to fund its current modernization and reviews. In the second quarter of this year, DCIR budgeted for VT 95.7 million and ended up spending VT 94.1 million (98%). Last year's spending were over the budgeted figures by VT 28.1 million due to overspend operational chart of accounts. DCIR overspent on acting allowances, overtime wages, repairs and maintenance and replacement of equipment. These major overspent items were not realistically budgeted for in the second quarter, thus reflected as overspent, however some of these items have their entire budget stored in other periods, especially in period 12 and were only made accessible through advance release on an ad hoc basis. It's also evident that DCIR accumulated saving from the budget for permanent wages of up to VT 12 million in the second quarter, which relates to delay in recruitment processes. Spending at this rate will underspend the department's annual budget at the end of the year.

NATIONAL STATISTICS OFFICE

As shown in table 1 below, VNSO has managed to spend within its budget ceiling for the second quarter of this year, compared to a budget deficit realized in the same period last year. VNSO overspent mainly on equipment repairs and maintenance, while it did not budget for termination payments and international organizations fees. This spending rate will likely underspend its annual budget by the end of the year.

GRANT BODIES

Government grants given to institutional grant bodies were releases on either monthly or quarterly to individual grant bodies and the fund is managed by the grant bodies. Like in the first quarter of this year, report shows that some grant bodies spend less of their budget in the second quarter.

Revenue

Apart from the normal revenue collected through taxes, MFEM issued additional government bonds worth of VT 509.4 million in the second quarter of this year, making a total revenue of VT 580.4 million recorded in that period, compare to VT 1 billion realized in the same period last year. MFEM also raise the government revenue through commissions' recoveries (although overstated by VT 11.8 million), application charges recoveries, shipping registrations fees and interest from bank deposits. Under performed revenues include interactive gaming taxes, Ifira wharf & Stevedoring dividends, commission recoveries, etc. In summary, MFEM went over its target revenue of VT 97.2 million by VT 483.1 million in the second quarter. MFEM is encouraged to continue to strengthen its compliance and processes to ensure all its payables are paid, recovered within manageable timeframes in order to meet the rapid demand for government services to the public.

VIREMENT

MFEM has requested and processed several virements/ transfers of budget among its cost centres in the second quarter to cater for operational cost for DCIR, DG MFEM's overspent payroll & additional operational budget, DCIR recruitment budget. Total virements has reached VT 16.4 million.

TABLES

TABLE 1: MINISTRY OF FINANCE EXPENDITURE BY COST CENTRE FOR THE SECOND QUARTER, 2017

Code	Description	Original Appropriation	Supplementary Appropriations	Virements	Final Budget	Total Expenditure	Under/ (Over)
M05	Ministry of Finance and Economic Management						
MFA	Cabinet Support						
3401	Cabinet Operations	10,315,619	-	-	10,315,619	9,573,787	741,832
3406	Parliamentary Secretary MoF	-	28,683,100	(28,683,100)	-	2,895,113	-2,895,113
MFAA	Portfolio Management	10,315,619	28,683,100	(28,683,100)	10,315,619	12,468,900	-2,153,281
MFA	Cabinet Support	10,315,619	28,683,100	(28,683,100)	10,315,619	12,468,900	-2,153,281
MFB	Executive Management and Corporate Services						
3301	Office of the Director General	5,375,276	-	4,600,000	9,975,276	6,970,404	3,004,872
3306	Internal Audit Section	3,181,505	-	-	3,181,505	2,529,504	652,001
MFBA	Ministry Executive & Internal Audit	8,556,781	-	4,600,000	13,156,781	9,499,908	3,656,873
3302	Ministry Executive	6,545,197	-	-	6,545,197	13,653,712	-7,108,515
MFBB	Corporate Services	6,545,197	-	-	6,545,197	13,653,712	-7,108,515
MFB	Executive Management and Corporate Services	15,101,978	-	4,600,000	19,701,978	23,153,620	-3,451,642
MFC	Financial And Economic Management						

3304	Tender Board	2,104,622	-	-	2,104,622	1,619,481	485,141
MFCC	Government Financial Services	2,104,622	-	-	2,104,622	1,619,481	485,141
MFC	Financial And Economic Management	2,104,622	-	-	2,104,622	1,619,481	485,141
MFB	Executive Management and Corporate Services						
3501	Director - DOF	1,716,095	-	-	1,716,095	1,077,663	638,432
MFBA	Ministry Executive & Internal Audit	1,716,095	-	-	1,716,095	1,077,663	638,432
3511	DOF Corporate Services Section	11,696,975	-	(1,000,000)	10,696,975	13,070,064	-2,373,089
MFBB	Corporate Services	11,696,975	-	(1,000,000)	10,696,975	13,070,064	-2,373,089
3509	FMIS Section	9,238,975	-	-	9,238,975	5,491,701	3,747,274
MFBC	Information Services	9,238,975	-	-	9,238,975	5,491,701	3,747,274
MFB	Executive Management and Corporate Services	22,652,045	-	(1,000,000)	21,652,045	19,639,428	2,012,617
MFC	Financial And Economic Management						
3522	Economic Policy Section	5,240,013	-	(1,000,000)	4,240,013	3,663,323	576,690
3523	Revenue Policy Unit	1,168,737	-	611,853	1,780,590	2,791,274	-1,010,684
MFCA	Economic Policy Development	6,408,750	-	(388,147)	6,020,603	6,454,597	-433,994
3502	Budget Section	8,880,127	-	-	8,880,127	8,835,316	44,811
3503	Revenue Section	5,076,997	-	-	5,076,997	4,304,865	772,132
3504	Payroll Section	5,551,733	-	(600,000)	4,951,733	4,323,359	628,374

3505	Payments Section	7,214,798	-	(1,000,000)	6,214,798	4,941,201	1,273,597
3506	Procurement and Asset Management Section	2,979,889	-	-	2,979,889	1,857,707	1,122,182
3507	Financial Accounting Section	5,570,481	-	(1,000,000)	4,570,481	2,946,384	1,624,097
3515	Legal Unit	991,570	-	-	991,570	633,094	358,476
3516	Land Compensation payment	37,499,850	143,000,000	(143,000,000)	37,499,850	4,898,488	32,601,362
3520	Treasury Division	2,103,419	-	-	2,103,419	1,583,565	519,854
3521	Debt Management Unit	2,587,166	-	-	2,587,166	1,092,723	1,494,443
3530	Finance and Administration Section	1,736,670	-	-	1,736,670	1,125,063	611,607
3531	Government Business Monitoring and Evaluation Section	2,444,116	-	-	2,444,116	1,043,038	1,401,078
3533	Accounting Group (Financial Controller)	1,028,879	-	-	1,028,879	92,852	936,027
3540	Line Agency Accounting Section	1,648,922	-	-	1,648,922	817,113	831,809
3541	Finance Services Bureau Malampa Province	1,585,454	-	-	1,585,454	1,094,965	490,489
3542	Finance Services Bureau Torba Province	1,242,445	-	-	1,242,445	942,878	299,567
3543	Finance Services Bureau Sanma Province	4,265,684	-	-	4,265,684	3,183,924	1,081,760
3544	Finance Services Bureau Tafea Province	1,548,205	-	-	1,548,205	888,977	659,228
3545	Finance Services Bureau Penama Province	1,209,588	-	-	1,209,588	863,078	346,510
MFCC	Government Financial Services	95,165,993	143,000,000	(145,600,000)	92,565,993	45,468,590	47,097,403
MFC	Financial And Economic Management	101,574,743	143,000,000	(145,988,147)	98,586,596	51,923,187	46,663,409
MFE	Payments on Behalf of Government						
3513	Public Debt Provision	-	-	-	-	454,485,843	-454,485,843
MFEA	Public Debt Provisions	-	-	-	-	454,485,843	-454,485,843
35F9	Vanuatu Scholarship Grant	45,951,502	274,500,000	(274,500,000)	45,951,502	278,470,928	-232,519,426
MFEB	Grants to Institutions	45,951,502	274,500,000	(274,500,000)	45,951,502	278,470,928	-232,519,426

3512	Central Payments	13,499,946	582,165,949	(582,165,949)	13,499,946	31,431,743	-17,931,797
3518	Emergency Fund	6,249,975	-	-	6,249,975	22,702,431	-16,452,456
3519	Government Contributions to Projects	3,749,985	-	-	3,749,985	-	3,749,985
35ED	Contingency Liabilities	7,499,970	-	-	7,499,970	4,929,070	2,570,900
MFEC	Central Payments	30,999,876	582,165,949	(582,165,949)	30,999,876	59,063,244	-28,063,368
35F3	Former Leaders Payment	2,462,490	-	-	2,462,490	1,386,077	1,076,413
MFED	Former Leaders Payment	2,462,490	-	-	2,462,490	1,386,077	1,076,413
MFE	Payments on Behalf of Government	79,413,868	856,665,949	(856,665,949)	79,413,868	793,406,092	-713,992,224
MFI	Grants to Institutions						
35E3	Grant to VTO	39,997,284	-	161	39,997,445	39,997,445	0
MFIA	Vanuatu Tourism Office (VTO)	39,997,284	-	161	39,997,445	39,997,445	0
35E5	Grant to VARTC	9,923,070	-	-	9,923,070	9,923,070	0
MFIB	Vanuatu Agricultural Research and Training Centre (VARTC)	9,923,070	-	-	9,923,070	9,923,070	0
35E1	VBTC	15,048,270	-	50	15,048,320	15,048,320	0
MFIC	Vanuatu Broadcasting and Television Corporation (VBTC)	15,048,270	-	50	15,048,320	15,048,320	0
35E6	Vanuatu Cultural Centre	6,572,883	-	-	6,572,883	6,572,883	0
MFID	Vanuatu Cultural Centre (VCC)	6,572,883	-	-	6,572,883	6,572,883	0

35E2	Grant to CCI	4,999,980	-	-	4,999,980	4,999,980	0
MFIE	Chamber of Commerce and Industry (CCI)	4,999,980	-	-	4,999,980	4,999,980	0
35E8	Grant to USP & SPBEA	33,549,867	-	-	33,549,867	25,856,011	7,693,856
MFIF	Grant SPBEA	33,549,867	-	-	33,549,867	25,856,011	7,693,856
35E7	Grant to VMA	3,749,985	-	-	3,749,985	-	3,749,985
MFIG	Vanuatu Maritime Administration (VMA)	3,749,985	-	-	3,749,985	-	3,749,985
35E4	Grant to Maritime College	10,313,769	-	525,041	10,838,810	10,838,810	0
MFIH	Vanuatu Maritime College	10,313,769	-	525,041	10,838,810	10,838,810	0
35E9	Utility Regulatory Authority	25,556,424	-	-	25,556,424	25,556,424	0
MFII	Utility Regulatory Authority	25,556,424	-	-	25,556,424	25,556,424	0
35F1	Grants to Agriculture College	20,700,015	-	-	20,700,015	20,700,015	0
MFIJ	Vanuatu Agriculture College	20,700,015	-	-	20,700,015	20,700,015	0
35F6	Vanuatu Investment Promotion Authority (VIPA)	7,167,036	-	-	7,167,036	7,167,036	0
MFIL	Grant to VIPA	7,167,036	-	-	7,167,036	7,167,036	0
35F8	Vanuatu National Archives (VNA)	2,599,989	-	-	2,599,989	2,599,989	0
MFIN	Grant to Vanuatu National Archives	2,599,989	-	-	2,599,989	2,599,989	0
MFJ	Grants to Institutions	180,178,572	-	525,252	180,703,824	169,259,983	11,443,841
MFJ	Government Contributions to International Organisation						

35G1	Vanuatu Government International Contributions	7,499,970	143,667,300	(143,667,300)	7,499,970	1,002,500	6,497,470
MFJA	Government Contributions to International Organisation	7,499,970	143,667,300	(143,667,300)	7,499,970	1,002,500	6,497,470
MFJ	Government Contributions to International Organisation	7,499,970	143,667,300	(143,667,300)	7,499,970	1,002,500	6,497,470
MFB	Executive Management and Corporate Services						
3601	Director - Customs	2,637,297	-	(900,000)	1,737,297	4,151,464	-2,414,167
MFBA	Ministry Executive & Internal Audit	2,637,297	-	(900,000)	1,737,297	4,151,464	-2,414,167
3612	Customs Corporate Services	9,252,939	-	(400,000)	8,852,939	8,709,016	143,923
MFBB	Corporate Services	9,252,939	-	(400,000)	8,852,939	8,709,016	143,923
3610	Customs Information Services	12,901,029	-	(2,699,988)	10,201,041	10,373,529	-172,488
MFBC	Information Services	12,901,029	-	(2,699,988)	10,201,041	10,373,529	-172,488
MFB	Executive Management and Corporate Services	24,791,265	-	(3,999,988)	20,791,277	23,234,009	-2,442,732
MFC	Financial And Economic Management						
3609	Customs Border Control - Santo	-	-	-	-	372,187	-372,187
MFCA	Economic Policy Development	-	-	-	-	372,187	-372,187
MFC	Financial And Economic Management	-	-	-	-	372,187	-372,187
MFF	Revenue Collection						

3605	Customs Revenue. Trades, Tariff & Compliance	16,045,738	-	(3,652,920)	12,392,818	14,821,093	-2,428,275
3606	Customs Post Clearance & Excise Audit	5,826,137	-	(300,000)	5,526,137	5,351,145	174,992
3608	Customs Revenue - Santo	6,519,480	-	(900,000)	5,619,480	6,213,222	-593,742
MFFA	Customs and Excise Collections	28,391,355	-	(4,852,920)	23,538,435	26,385,460	-2,847,025
3603	VAT Revenue Section	8,362,018	-	(1,300,000)	7,062,018	6,300,727	761,291
3604	VAT Audit Section	9,212,826	-	(500,000)	8,712,826	7,930,706	782,120
3614	VAT Santo	3,232,883	-	(700,000)	2,532,883	2,354,902	177,981
MFFB	VAT Collections	20,807,727	-	(2,500,000)	18,307,727	16,586,335	1,721,392
3602	Rates & Taxes Section	8,124,930	-	6,335,253	14,460,183	10,798,267	3,661,916
3613	Rates and Taxes Santo	2,624,604	-	(700,000)	1,924,604	1,780,725	143,879
MFFC	Rates and Taxes Collection	10,749,534	-	5,635,253	16,384,787	12,578,992	3,805,795
MFF	Revenue Collection	59,948,616	-	(1,717,667)	58,230,949	55,550,787	2,680,162
MFG	Border Control and Enforcement						
3607	Customs Border Control	10,810,763	-	3,126,147	13,936,910	12,302,603	1,634,307
3609	Customs Border Control - Santo	2,821,072	-	2	2,821,074	2,666,168	154,906
MFGA	Border Control	13,631,835	-	3,126,149	16,757,984	14,968,771	1,789,213
MFG	Border Control and Enforcement	13,631,835	-	3,126,149	16,757,984	14,968,771	1,789,213
MFB	Executive Management and Corporate Services						
1601	Director - NSO	1,249,638	-	-	1,249,638	1,289,084	-39,446
MFBA	Ministry Executive & Internal Audit	1,249,638	-	-	1,249,638	1,289,084	-39,446

1603	NSO Office Admin	1,934,783	-	-	1,934,783	1,482,306	452,477
MFBB	Corporate Services	1,934,783	-	-	1,934,783	1,482,306	452,477
MFB	Executive Management and Corporate Services	3,184,421	-	-	3,184,421	2,771,390	413,031
MFD	National Statistics						
1602	Emoluments Section	9,574,282	-	(1,126,396)	8,447,886	8,806,941	-359,055
MFDA	National Statistical Collection, Analysis & Reporting	9,574,282	-	(1,126,396)	8,447,886	8,806,941	-359,055
1604	Provincial Offices	3,519,186	-	-	3,519,186	3,091,702	427,484
1605	Statistical Leadership and Coordination Section	733,749	-	-	733,749	844,435	-110,686
1606	Economic Section	849,308	-	748,942	1,598,250	1,466,376	131,874
1607	Social Section	719,994	-	-	719,994	822,177	-102,183
MFDB	Provincial Statistics Offices	5,822,237	-	748,942	6,571,179	6,224,690	346,489
MFD	National Statistics	15,396,519	-	(377,454)	15,019,065	15,031,631	-12,566
M05	Ministry of Finance and Economic Management	535,794,073	1,172,016,349	(1,173,848,204)	533,962,218	1,184,401,966	-650,439,748

Source: Finance and Treasury

**TABLE 2: MINISTRY OF FINANCE EXPENDITURE BY CHART OF ACCOUNTS FOR THE
SECOND QUARTER, 2017**

Account	Description	Total	Budget	Under/(Over)
	Personnel Expenses			
8AAA	Acting Allowances	5,935,537	1,251,579	(4,683,958)
8AAB	Responsibility Allowance	625,955	817,118	191,163
8AAF	Family Allowance	1,753,152	2,578,258	825,106
8AAH	Housing Allowances	13,445,537	15,650,959	2,205,422
8AAO	Other Allowances	313,688	479,912	166,224
8AAP	Home Island Passage Allowances	581,900	1,590,210	1,008,310
8AAS	Special Allowances	165,000	-	(165,000)
8ASP	Provident Fund	4,641,319	5,439,291	797,972
8AWC	Contract Wages	721,526	-	(721,526)
8AWD	Daily Rated Wages	2,708,165	58,019	(2,650,146)
8AWL	Leave expense	92,975	-	(92,975)
8AWO	Overtime Wages	6,735,921	3,815,265	(2,920,656)
8AWP	Permanent Wages	98,740,382	126,982,029	28,241,647
PAYR	Payroll expenses	-	(10,239,003)	(10,239,003)
	Personnel Expenses	136,461,057	148,423,637	11,962,580
	Operating Expenses			
8CAB	Subsistence Allowances	11,538,290	5,442,306	(6,095,984)
8CAS	Sitting Allowances	-	26,250	26,250
8CBI	International Accommodation	1,559,165	1,874,929	315,764
8CBL	Local Accommodation	979,022	868,492	(110,530)
8CCI	International Courses	-	434,004	434,004
8CCL	Local Courses	-	571,749	571,749
8CEC	Consultants Fees	6,500,000	1,907,895	(4,592,105)
8CEM	Software Maintenance Fees	-	500,000	500,000
8CEP	Penalty Fees	275,087	-	(275,087)
8CES	Security Services	300,000	509,997	209,997
8CET	Other Fees	1,257,389	2,467,341	1,209,952
8CFS	Ship and Boat Fuel	72,000	-	(72,000)
8CFV	Vehicles Fuel	2,848,500	2,462,763	(385,737)
8CGM	Mail Carriage Freight	2,224	169,251	167,027
8CGO	Other Charges - Freight	136,446	97,728	(38,718)
8CGR	Transport - Freight	5,733,411	479,724	(5,253,687)
8CGS	Storage - Freight	-	12,501	12,501
8CHI	International Medical Treatment	47,684	-	(47,684)
8CHL	Local Medical Treatment	392,648	567,011	174,363
8CHT	Other Medical Treatment	-	3,750	3,750
8CIE	Equipment Hire	252,112	134,679	(117,433)
8CIF	Facilities Hire	1,188,684	383,109	(805,575)

8CIV	Vehicles Hire	(72,711)	349,245	421,956
8CJO	Office Cleaning	1,010,943	558,642	(452,301)
8CKD	Advertising - Communications	1,734,582	1,004,370	(730,212)
8CKL	Translation Communications	520,000	508,368	(11,632)
8CKM	Advertising and Marketing	11,300	-	(11,300)
8CKP	Postage - Communications	63,925	295,788	231,863
8CKR	Printing - Communications	2,340,308	2,417,796	77,488
8CKS	Stationery - Communications	6,114,634	2,670,516	(3,444,118)
8CKT	Telephone / Fax - Communications	2,603,609	2,974,635	371,026
8CLC	Compensation Land	2,740,000	37,499,850	34,759,850
8CLR	Rates - Land	7,495,472	7,999,968	504,496
8CMG	General - Materials	2,133,005	112,311	(2,020,694)
8CMO	Office - Materials	900,240	261,720	(638,520)
8CNO	Office Rental	9,580,205	2,697,534	(6,882,671)
8CNT	Other Rental	236,000	-	(236,000)
8COA	Audit Fees	10,402	-	(10,402)
8COC	Court Costs	1,565,981	242,499	(1,323,482)
8COE	Terminal Payments	-	24,249	24,249
8COF	Refunds	-	39,999	39,999
8COG	Government Contributions	4,500,000	-	(4,500,000)
8COI	Incidentals	5,503,625	13,321,689	7,818,064
8COO	International Organisation Fees	4,615,557	13,149,945	8,534,388
8COP	Official Entertainment	3,534,208	1,255,836	(2,278,372)
8COS	Insurance	11,600	30,000	18,400
8COT	Termination Payment	3,014,488	-	(3,014,488)
8COU	Uniforms	130,513	1,097,217	966,704
8CPA	Allowances - Scholarships	167,933,580	26,290,812	(141,642,768)
8CPE	Fees - Scholarships	110,259,648	16,288,948	(93,970,700)
8CRB	Buildings Repairs & Maintenance	5,560,591	386,499	(5,174,092)
8CRE	Equipment Repairs & Maintenance	3,632,964	1,169,302	(2,463,662)
8CRH	Houses Repairs & Maintenance	-	350,001	350,001
8CRM	Maintenance Contract	1,264,590	1,657,500	392,910
8CRV	Vehicles Repairs & Maintenance	1,466,116	1,320,069	(146,047)
8CRW	Vehicle Servicing	-	300,000	300,000
8CSF	Food - Suppliers	3,636,329	-	(3,636,329)
8CSM	Medicines Suppliers	4,000	35,043	31,043
8CSR	Rations Suppliers	150,000	-	(150,000)
8CTI	International Travel	4,925,804	6,586,286	1,660,482
8CTL	Local Travel	8,621,539	3,097,679	(5,523,860)
8CUE	Electricity Utilities	4,665,057	7,144,590	2,479,533
8CUL	Lighting Utilities	-	4,851	4,851
8CUW	Water Utilities	286,372	146,721	(139,651)
8CWL	Local Workshops	-	337,122	337,122
8CYR	Relief Emergency	-	6,249,975	6,249,975

8CZV	Value Added Tax	10,225,667	3,536,129	(6,689,538)
8DAI	International Organisations	-	124,998	124,998
8DGO	Operating Grant	86,960,438	87,190,221	229,783
8DGT	Other Grant	77,299,565	91,968,300	14,668,735
8DNC	Chamber Of Commerce Non Profit Institution	4,999,980	4,999,980	-
8EBR	Buildings - Renovation	-	121,251	121,251
8EEA	Equipment - Additional General	2,187,756	920,259	(1,267,497)
8EEC	Equipment - Computer	707,518	3,941,473	3,233,955
8EEH	Equipment - Heavy Equipment	225,788	-	(225,788)
8EEP	Equipment - Photocopiers	-	121,251	121,251
8EER	Equipment - Replacement General	2,497,152	1,049,689	(1,447,463)
8EET	Equipment - Computer Software Purchases	-	1,836,384	1,836,384
8EFO	Furniture - Office Furniture	935,830	1,763,556	827,726
8EHR	Houses - Renovation	470,756	-	(470,756)
8EVA	Vehicle - Additional Vehicle	537,777	433,332	(104,445)
8EVE	Vehicle - Earthmoving Etc.	-	193,992	193,992
8EVR	Vehicle - Replacement	533,333	-	(533,333)
8FCB	Bank Charges	88,268	139,564	51,296
8FIB	Interest - Bonds	125,118,864	-	(125,118,864)
8FIG	Interest - Government Loans	7,263,350	-	(7,263,350)
8FIO	Interest - On Lent Loans and Advances	976,853	-	(976,853)
8FSG	Service Charges - Government Loans	1,892,099	-	(1,892,099)
OVER	Overhead expenses	-	8,407,148	8,407,148
	Operating Expenses	728,708,132	385,538,581	(343,169,551)
	Debt Principal Repayments			
4322	Repayment - ADB Loans	35,965,138	-	(35,965,138)
4342	Repayment - CFDD Loans	16,072,509	-	(16,072,509)
4382	Repayment - IDA Loans	5,635,130	-	(5,635,130)
4462	Repayment - Reserve Bank Bond Issues	261,560,000	-	(261,560,000)
	Debt Principal Repayments	319,232,777	-	(319,232,777)
	Total Expenditure	1,184,401,966	533,962,218	(650,439,748)

Source: Finance & Treasury

TABLE 3: MINISTRY OF FINANCE REVENUE FOR SECOND QUARTER, 2017

Account	Description	Revenue	Budget	Over/(Under)
	Revenue			
7LSO	Other Sales	0	124,998	(124,998)
7NDT	Other Asset Disposals	73,000	375,000	(302,000)
7NFD	Honorary Citizenship Program Fees	0	24,999,900	(24,999,900)
7NFO	Other Fees	4,400	112,500	(108,100)
7NFU	Third Party Lending Fees	131,000	0	131,000
7NIO	Other Fines	2,230,000	499,998	1,730,002
7NIU	Utility Company fines and penalties	0	124,998	(124,998)
7NOA	Application Charges Recoveries	10,553,399	249,999	10,303,400
7NOB	Bank Reconciliations Recoveries	176	0	176
7NOF	Currency Gain/Loss Recoveries	41,074	449,997	(408,923)
7NOM	Commissions Recoveries	16,868,132	28,749,885	(11,881,753)
7NOO	Other Recoveries	3,332,485	2,417,493	914,992
7TLL	Liquor Licences & Registration	0	2,874,990	(2,874,990)
7TLS	Shipping Registration Fees	23,142,361	16,249,935	6,892,426
7TOA	Interactive Gaming Taxes	0	2,499,990	(2,499,990)
7TOR	Road Tax	115,566	0	115,566
7UIB	Interest from Bank Deposits	12,857,071	14,999,940	(2,142,869)
7VCI	Ifira Wharf & Stevedoring Dividends	0	2,499,990	(2,499,990)
7VCS	Nothern Island Stevedoring Company Ltd - Dividend	1,657,765	0	1,657,765
	Revenue	71,006,429	97,229,613	(26,223,184)
	Debt drawdowns			
4461	Drawdown - Reserve Bank Bond Issues	509,400,000	0	509,400,000
	Debt drawdowns	509,400,000	-	509,400,000
	Total Revenue and Receipts	580,406,429	97,229,613	483,176,816

Source: Finance & Treasury

TABLE 4: VIREMENT FOR THE SECOND QUARTER 2017

Date	fund _Out	dept _Out	activity _Out	account _Out	fund _In	dept _In	activity _In	account _In	Virement Amount
13-Jun-17	2	3614	MFFB	PAYR	2	3602	MFFC	OVER	700,000
13-Jun-17	2	3613	MFFC	PAYR	2	3602	MFFC	OVER	700,000
13-Jun-17	2	3612	MFBB	PAYR	2	3602	MFFC	OVER	400,000
13-Jun-17	2	3608	MFFA	PAYR	2	3602	MFFC	OVER	900,000
13-Jun-17	2	3606	MFFA	PAYR	2	3602	MFFC	OVER	300,000
13-Jun-17	2	3605	MFFA	PAYR	2	3602	MFFC	OVER	1,200,000
13-Jun-17	2	3604	MFFB	PAYR	2	3602	MFFC	OVER	500,000
13-Jun-17	2	3603	MFFB	PAYR	2	3602	MFFC	OVER	1,300,000
13-Jun-17	2	3602	MFFC	PAYR	2	3602	MFFC	OVER	500,000
13-Jun-17	2	3601	MFBA	PAYR	2	3602	MFFC	OVER	900,000
13-Jun-17	2	3511	MFBB	OVER	2	3301	MFBA	OVER	1,000,000
13-Jun-17	2	3507	MFCC	PAYR	2	3301	MFBA	OVER	1,000,000
13-Jun-17	2	3505	MFCC	PAYR	2	3301	MFBA	PAYR	1,000,000
13-Jun-17	2	3504	MFCC	PAYR	2	3301	MFBA	PAYR	600,000
13-Jun-17	2	3522	MFCA	PAYR	2	3301	MFBA	OVER	1,000,000
06-Jun-17	2	3605	MFFA	PAYR	2	3607	MFGA	PAYR	2,452,920
11-Apr-17	2	3523	MFCA	PAYR	2	3601	MFBA	OVER	1,000,000
11-Apr-17	2	3512	MFEC	OVER	2	3601	MFBA	OVER	1,000,000
								Total	16,452,920

Source: Finance & Treasury