

MINISTRY OF FOREIGN AFFAIRS & INTERNATIONAL COOPERATION AND EXTERNAL TRADES

INTRODUCTION AND KEY FINDINGS

The Ministry of Foreign Affairs, International Cooperation and External Trade (MFAICET) is mandated to promote the national interests in creating, managing and maintaining friendly relations with bilateral and multilateral partners at the regional and multilateral level. The Ministry also promotes, defends and executes Vanuatu's policy position on important issues that ensures domestic interests are achieved.

And in ensuring that Vanuatu's national interests are attained, the Ministry carries out its responsibility as the country's official point of contact in the negotiations of any bilateral/multilateral relations and by engaging both the domestic actors with the international players in a bilateral and multilateral arena.

The Ministry is also responsible for providing protocol and consular assistance to Ni-Vanuatu either travelling or residing overseas. Ministry continues to play a supportive role in promoting Vanuatu's developing commercial interests in areas of tourism and investment opportunities, including identifying export markets for Vanuatu products. These responsibilities are achieved through the work program of Vanuatu's permanent overseas missions. Similarly, the Ministry facilitates and provides protocol and diplomatic services to foreign dignitaries, both resident and visiting. The work of the Ministry through Foreign diplomatic service continues to grow with both consular and diplomatic representations now being strengthened. These responsibilities are fulfilled with the assistance of Vanuatu permanent missions through their work program overseas.

Vanuatu Overseas Missions (OSM) currently includes the following: Vanuatu Permanent Mission to the United Nations, New York, USA; Embassy of Vanuatu to the People's Republic of China, Beijing, China; Embassy of Vanuatu to the European Union, the Kingdom of Belgium, France and United Kingdom; Vanuatu Consulate Nouméa, New Caledonia; Vanuatu Consulate Auckland, New Zealand; Vanuatu High Commission, Suva, Fiji; and Vanuatu High Commission, Canberra, Australia.

The Ministry is implementing these objectives: to project a positive image of Vanuatu internationally and to maintain healthy relations; to ensure strategic representation through diplomatic and consular appointments abroad; to have an ethical, professional and responsive high performing Ministry; to increase economic opportunities through Development Corporation and Consular initiatives; to provide efficient diplomatic, protocol consular assistance to ni-Vanuatu travelling or residing overseas; to manage Vanuatu's unresolved maritime boundaries and territorial disputes; and to secure increased market access for Vanuatu's goods and services, facilitate investments and boost specialization in areas of competitive advantage.

SUMMARY OF KEY FINDINGS

Area	Finding
Budget Management and Planning	Analysis shows that MFAICET had an allocated 2016 annual budget of VT 569,501,422 plus VT143, 667,300 for international organization fee and arrears that is kept under MFEM. The Ministry had already spent 36.99 percent of the annual budget (VT 569,501,422).
Activity and Cost Centre Management and Planning	All cost centers had overspent their annual allocated budget in the first half of the year from 1.2 to 110.7 percent. This resulted in the overall Ministry overspending. The bulk of the overspending came from the Department of External Trade and this was due to funds being advanced from the future period and expended in the first half of the year.

Payroll Budget Management and Planning	The half year budget for payroll for 2017 was VT119,239,667 and total expenditure was VT 102,034,092. The Ministry had underspent on its payroll budget by 14.4 percent or VT 17.2 million in the first half of the year.
Operation Budget Management and Planning	The half year budget for operation for 2017 was VT 71,301,900 and total expenditure was VT 108,615,575. The Ministry had overspent on its operation budget by 52.3 percent or VT 37.3 million in the first half of the year.
Detailed Charts of Accounts In Payroll Expenditure Management and Planning	<p>Total expenses of unbudgeted items for the first half of 2017 was VT 7.68 million. This is about VT 5.7 million more than the first half of 2016. Major expenses are from other allowances which was VT 4.1 million, acting allowances VT 2.18 million, contract wages was VT 694,705 and special allowances VT 403,221. Most of the expenses of the unbudgeted chart of accounts in the first half of the year continues to increase every year. Ministry should already notice the trend and budget accordingly.</p> <p>Spending on unbudgeted items has increased substantially. MFAICET needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts or overspending on the budgeted accounts.</p>
Detailed Chart of Accounts in Operation Expenditure Management and Planning	<p>Total expenses of unbudgeted items for the first half of 2017 was VT 51.6 million. This is a about 11.6 million more than 2016 in the same period. Major expenses are from operating grant which was 11.3 million, international organisation fees VT 9.7 million, office rental VT 7.1 million, termination payment VT 5.8 million, subsistence allowances VT 4.9 million, official entertainment VT 2.2 million, international organisation fees VT 1.7 million and insurance VT 1 million. Expenses continues to increase every year with no or very little allocated budget. Ministry should already notice the trend and budget accordingly.</p> <p>Unbudgeted items and overspent figures are still very high, it has increased very much for the latter. MFAICET needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts or overspending on the budgeted accounts.</p>
Current Revenue Planning and Management	The Ministry collected VT 957,388 in the first half of 2017 compared to VT 4,501,222 in the same period last year, 2016.
Outstanding Revenues	MFAICET had an outstanding revenue of VT 133,875 at the end of the first half of the year.
Asset Management	The Ministry does not check their assets status before preparing budgets therefore chart of account office furniture was overspent by just over VT 1 million and replacement of equipment was overspent by around VT100,000.
Virements	There was a total of 4 virements processed in the first half of 2017 with a value of VT 2,257,000 compared to no virement in the same period in 2016.
Imprest Management	At the end of the first six months of 2017, the Ministry had a total of VT 990,060 outstanding imprest to reitre.

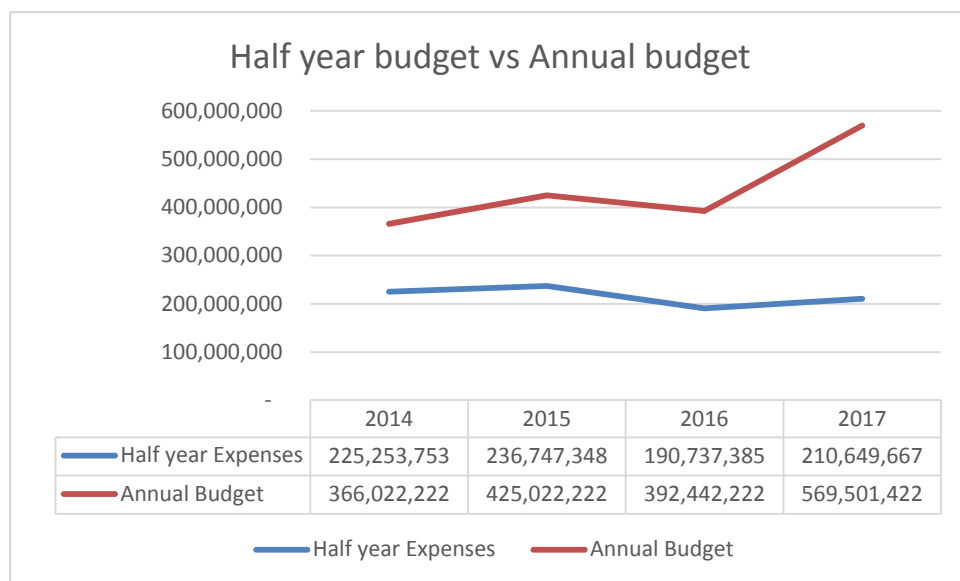
FINANCIAL MANAGEMENT ASSESSMENT

1. BUDGET PERFORMANCE

1.1 Overall Budget Management and Planning

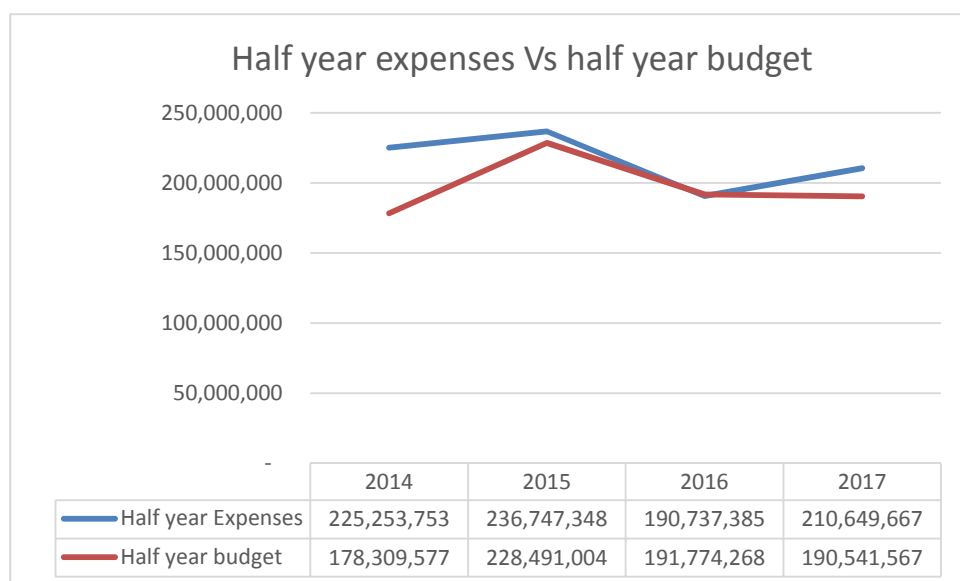
Analysis shows that MFAICET had an allocated 2016 annual budget of VT 569,501,422 plus VT143, 667,300 for international organization fee and arrears that is kept under MFEM. The Ministry had already spent 36.99 percent of the annual budget (VT 569,501,422).

Figure 1: Expenditure Vs Budget



The above graph shows the half yearly expenditures against the annual budget for 2016 and the past three years in the same period. In 2016, the Ministry had spent 48.6 percent, 55.7 percent in 2015 and 61.54 percent in 2014.

Figure 2: Half yearly Expenses Vs Half yearly Budget



The graph above shows the half yearly expenditure against half yearly budget allocations and for 2016 and the past three years.

The Ministry had spent 110.6 percent of its half year budget in the first half of the year compared to 99.5 percent in 2016 and 103.6 percent in 2015 and 126.3 percent in 2014.

1.2 Activity and Cost center management and planing

The Department of External Trades (Cost center 390) budget was overspent by 110.7 percent of its half year budget or by VT 12.7 million. The Department had already spent 65 percent of its annual budget and with that current rate of spending , it is most likely that the Department will used up its budget before the end of the year. A contributing factor to the overspending is the advanced release of the NPP funds in the future period that was expended in the first half of the year.

The Cabinet and DG's office (Cost center 410) budget was overspent by 17.6 percent of its half year budget or 5.7 million. This cost center had already spent 44.8 percent of its annual budget and with that current rate of spending, it is most likely that there will be some left over funds at the end of the year.

The Department of Foreign Affairs (Cost center 440) budget was overspent by 1.2 percent of VT 1.7 million. The Department had already spent 33.2 percent of its annual budget and with that current rate of spending, it is most likely that there will be some left over funds at the end of the year.

Table1: Cost centers budget and expenditures

Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
39AA	External Trade Negotiation Division					
	Personnel Expenses	3,978,177	85,800	4,063,977	5,252,026	1,188,049
	Operating Expenses	943,332	614,530	1,557,862	1,108,236	(449,626)
39AA	External Trade Negotiation Division	4,921,509	700,330	5,621,839	6,360,262	738,423
39AG	External Trade Policy & Administration Division					
	Personnel Expenses	2,947,102	4,112	2,951,214	3,086,684	135,470
	Operating Expenses	13,065,635	2,613,431	15,679,066	1,904,968	(13,774,098)
39AG	External Trade Policy & Administration Division	16,012,737	2,617,543	18,630,280	4,991,652	(13,638,628)
39AH	External Trade Opportunities					
	Operating Expenses	-	-	-	160,536	160,536
39AH	External Trade Opportunities	-	-	-	160,536	160,536
41AA	Cabinet Operations					
	Personnel Expenses	15,059,908	12,906	15,072,814	13,762,764	(1,310,050)
	Operating Expenses	6,007,292	180,291	6,187,583	999,996	(5,187,587)
41AA	Cabinet Operations	21,067,200	193,197	21,260,397	14,762,760	(6,497,637)
41AB	Office of the DG					
	Personnel Expenses	3,861,124	83,084	3,944,208	4,276,054	331,846
	Operating Expenses	9,868,240	2,788,094	12,656,334	13,167,486	511,152
41AB	Office of the DG	13,729,364	2,871,178	16,600,542	17,443,540	842,998
44BA	Permanent Mission to the United States					
	Personnel Expenses	14,831,650	-	14,831,650	14,200,271	(631,379)
	Operating Expenses	6,889,632	420,300	7,309,932	1,999,992	(5,309,940)
44BA	Permanent Mission to the United States	21,721,282	420,300	22,141,582	16,200,263	(5,941,319)
44BB	Consul, Noumea					

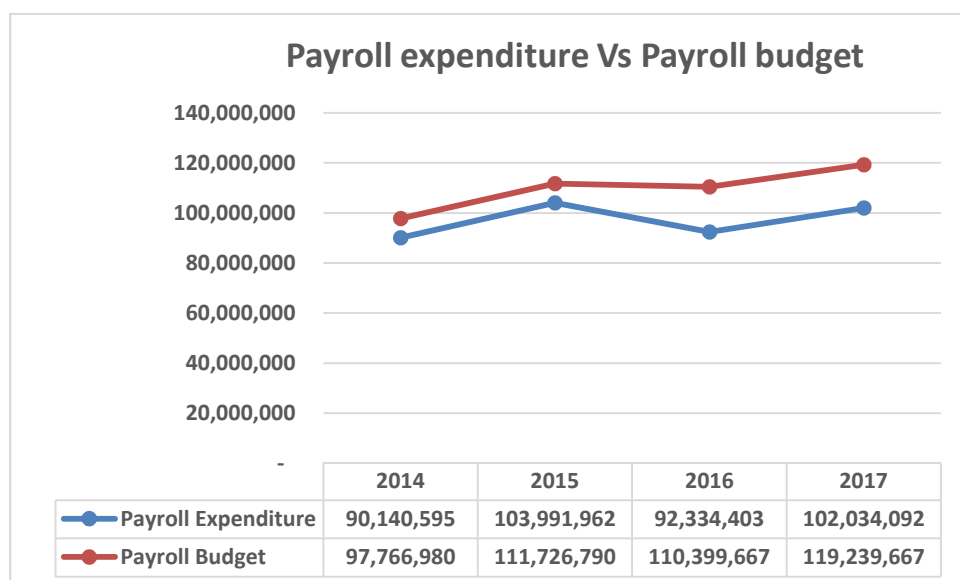
	Personnel Expenses	2,742,428	-	2,742,428	5,936,392	3,193,964
	Operating Expenses	3,188,825	11,175	3,200,000	542,998	(2,657,002)
44BB	Consul, Noumea	5,931,253	11,175	5,942,428	6,479,390	536,962
44BC	Embassy, Brussels					
	Personnel Expenses	12,513,129	-	12,513,129	11,920,180	(592,949)
	Operating Expenses	6,137,039	168,156	6,305,195	2,999,982	(3,305,213)
44BC	Embassy, Brussels	18,650,168	168,156	18,818,324	14,920,162	(3,898,162)
44BD	Embassy Beijing					
	Personnel Expenses	3,211,182	-	3,211,182	12,294,096	9,082,914
	Operating Expenses	5,977,865	11,780	5,989,645	3,749,982	(2,239,663)
44BD	Embassy Beijing	9,189,047	11,780	9,200,827	16,044,078	6,843,251
44BE	Consulate, Auckland					
	Personnel Expenses	3,152,071	-	3,152,071	3,315,309	163,238
	Operating Expenses	3,859,520	-	3,859,520	1,749,990	(2,109,530)
44BE	Consulate, Auckland	7,011,591	-	7,011,591	5,065,299	(1,946,292)
44BF	High Commission, Suva					
	Personnel Expenses	3,320,811	-	3,320,811	6,180,936	2,860,125
	Operating Expenses	2,125,936	541,240	2,667,176	1,999,998	(667,178)
44BF	High Commission, Suva	5,446,747	541,240	5,987,987	8,180,934	2,192,947
44BG	Canberra Mission					
	Personnel Expenses	8,066,426	-	8,066,426	8,953,895	887,469
	Operating Expenses	6,246,393	55,850	6,302,243	4,499,988	(1,802,255)
44BG	Canberra Mission	14,312,819	55,850	14,368,669	13,453,883	(914,786)
44CC	Honorary Consuls					
	Operating Expenses	879,654	127,175	1,006,829	1,149,996	143,167
44CC	Honorary Consuls	879,654	127,175	1,006,829	1,149,996	143,167
44DD	Protocol & Consular					
	Operating Expenses	212,000	89,500	301,500	349,998	48,498
44DD	Protocol & Consular	212,000	89,500	301,500	349,998	48,498
44DF	Corporate Services					
	Personnel Expenses	24,253,825	208,680	24,462,505	26,301,027	1,838,522
	Operating Expenses	3,166,308	1,183,596	4,349,904	3,655,138	(694,766)
44DF	Corporate Services	27,420,133	1,392,276	28,812,409	29,956,165	1,143,756
44DG	Grant to MSG					
	Operating Expenses	30,000,000	-	30,000,000	30,000,000	-
44DG	Grant to MSG	30,000,000	-	30,000,000	30,000,000	-
44DH	Maritime & Ocean Affairs Division					
	Personnel Expenses	3,701,677	-	3,701,677	3,760,033	58,356
	Operating Expenses	1,005,306	237,480	1,242,786	1,262,616	19,830
44DH	Maritime & Ocean Affairs Division	4,706,983	237,480	4,944,463	5,022,649	78,186
	Total Expenditure	201,212,487	9,437,180	210,649,667	190,541,567	(20,108,100)

Source: Department of Finance & Treasury

1.3. Payroll Budget Management and Planning

The half year budget for payroll for 2017 was VT119,239,667 and total expenditure was VT 102,034,092. The Ministry had underspent on its payroll budget by 14.4 percent or VT 17.2 million in the first half of the year.

Figure 3: Payroll Expenditure Vs Payroll Budget



The above graph shows payroll expenditure versus payroll budget for the first half of 2017 and the same period in the past three years.

1.4 Detailed Chart of account in Payroll Expenditures Management and Planning.

The table below shows the payroll expenses by chart of accounts from 2014 to 2017 in the first half of the year. The highlighted orange are expenses against no allocated budget, the highlighted green are overspent chart of accounts.

Table 2: Payroll Chart of accounts 2014-2017

Account	Description	2014 Expenditure	2014 Budget	2015 Expenditure	2015 Budget	2016 Expenditure	2016 Budget	2017 Expenditure	2017 Budget	Payroll Expenditure as % of Payroll
	Personnel Expenses									
8AAA	Acting Allowances	76,269	-	789,112	-	326,438	-	2,180,604	-	
8AAB	Responsibility Allowance	63,684	-			30,492	-	124,882	-	
8AAF	Family Allowance	670,598	522,756	731,813	644,693	801,992	922,276	849,314	22,434,936	4%
8AAG	Gratuitie Allowances	1,753,706	-	1,093,861	-	694,525	-			
8AAH	Housing Allowances	17,951,656	14,132,171	24,121,855	7,969,060	19,895,746	22,718,335	22,542,126	22,691,858	99%
8AAO	Other Allowances	4,054,114	22,896,668	3,684,276	19,180,967	5,272,555	7,858,936	4,254,068	120,002	3545%
8AAP	Home Island Passage Allowances	376,751	115,460	-	65,977	201,424	95,039	115,597	94,999	122%
8AAS	Special Allowances	419,249	-	154,354	-	250,403	-	403,221	-	
8ASP	Provident Fund	2,838,422	3,603,930	2,715,978	3,256,694	2,571,945	3,255,291	2,935,599	3,729,305	79%
8AWC	Contract Wages			2,131,548	-	176,290	-	694,705	-	
8AWD	Daily Rated Wages	-	1,624,901	-	609,337	-	199,808	-	431,000	0%
8AWL	Leave expense	292,922	-	1,759,716	-	177,906	-			
8AWO	Overtime Wages	419,258	4,711	297,164	-	131,336	-	125,000	-	
8AWP	Permanent Wages	61,223,966	65,049,175	66,512,285	60,982,170	61,803,351	74,584,982	67,808,976	70,246,576	97%
PAYR	Payroll expenses	-	(10,182,792)	-	19,017,892	-	765,000	-	(509,009)	0%

	Personnel Expenses	90,140,595	97,766,980	103,991,962	111,726,790	92,334,403	110,399,667	102,034,092	119,239,667	86%
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Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 7.68 million. This is about VT 5.7 million more than the first half of 2016. Major expenses are from other allowances which was VT 4.1 million, acting allowances VT 2.18 million, contract wages was VT 694,705 and special allowances VT 403,221). Most of the expenses of the unbudgeted chart of accounts in the first half of the year continues to increase every year. Ministry should already notice the trend and budget accordingly.

Overspent on chart of accounts

There are only two chart of accounts that were overspent in the first half of 2017, other allowances and home island passage. More funds should be allocated in these chart of accounts in the future.

Improvement on chart of accounts management

Spending on unbudgeted items has increased substantially. MFAICET needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts or overspending on the budgeted accounts.

Figure 4: Payroll 2017 first half of the year overspent chart of accounts

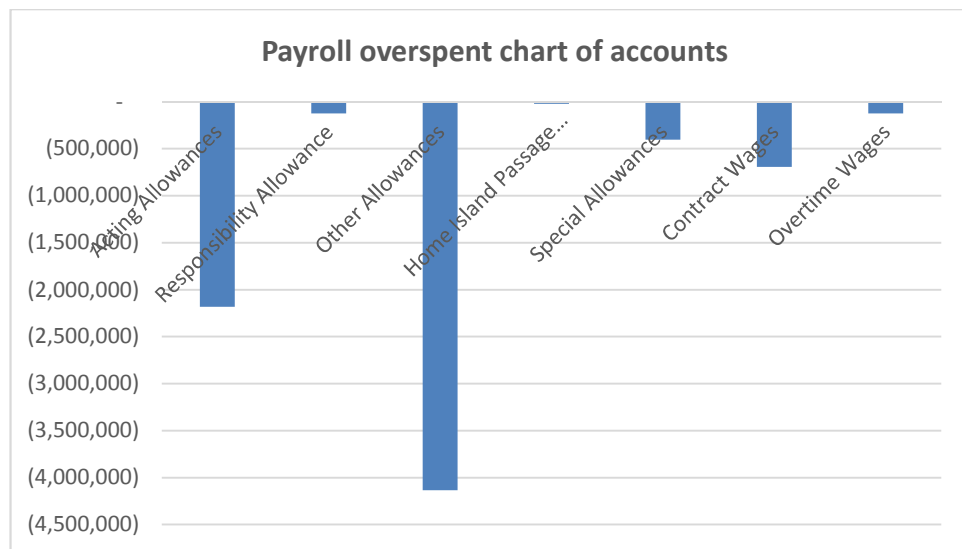
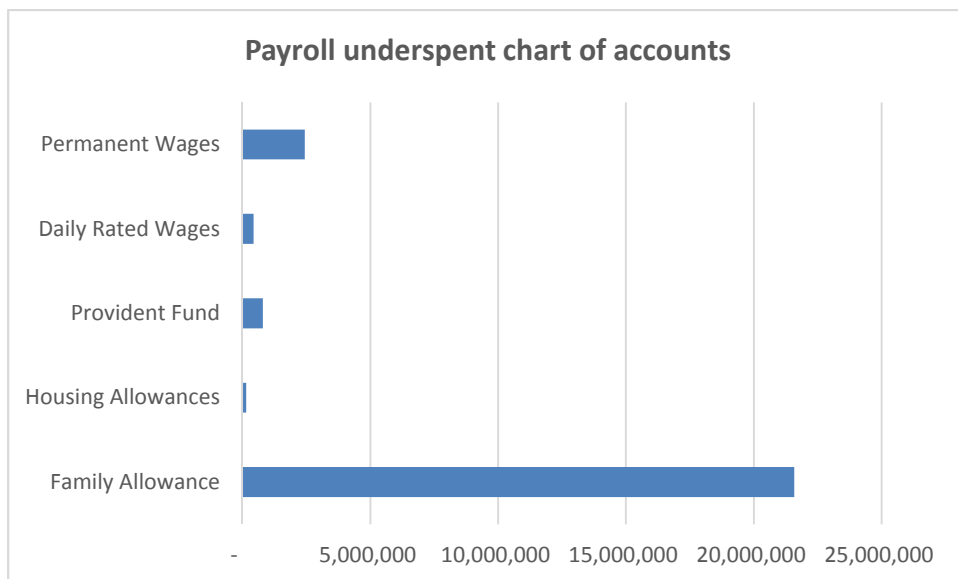


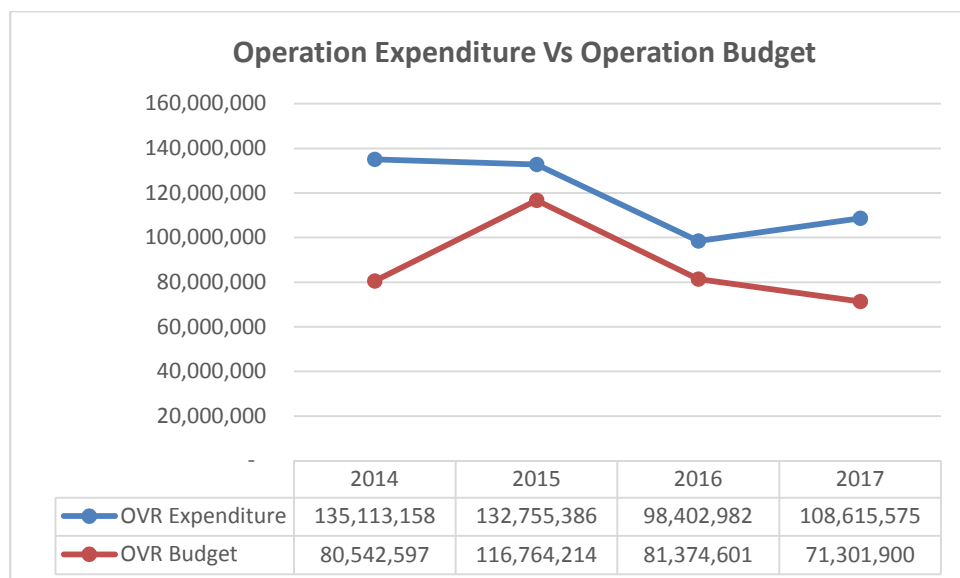
Figure 5: Payroll 2017 first of the year underspent chart of accounts



1.5. Operation Budget Management and Planning

The half year budget for operation for 2017 was VT 71,301,900 and total expenditure was VT 108,615,575. The Ministry had overspent on its operation budget by 52.3 percent or VT 37.3 million in the first half of the year.

Figure 6: Operation Expenditure Vs Operation Budget



The above graph shows operation expenditure versus operation budget for the first half of 2017 and for the same period in the past three years.

1.6 Detailed Chart of Accounts in Operation Expenditure Management and Planning.

Below is the table detailing the expenses and budget for all chart of accounts in the operation from 2014 to 2017. The highlighted orange are expenses against no allocated budget, the highlighted green are overspent chart of accounts.

Table 3: Operation Chart of accounts 2014-2017

Account	Description	2014 Expenditure	2014 Budget	2015 Expenditure	2015 Budget	2016 Expenditure	2016 Budget	2017 Expenditure	2017 Budget	Payroll Expenditure as % of Payroll budget
	Operating Expenses									
8CAB	Subsistence Allowances	3,068,680	642,500	4,682,698	1,057,478	7,173,877	2,507,472	7,011,912	2,107,476	333%
8CAP	Repatriation Allowances					1,313,800	-			
8CAS	Sitting Allowances	35,000	-			-	7,500	-	15,000	0%
8CBI	International Accommodation	263,706	1,658,700	-	150,000	3,415,602	599,994	995,630	399,996	249%
8CBL	Local Accommodation	44,711	203,700	138,000	158,654	124,734	158,652	57,866	158,652	36%
8CCL	Local Courses	21,735	-			4,808	-			

8CES	Security Services	1,173,509	320,100	80,000	-	419,800	-	325,000	899,994	86%
8CET	Other Fees	-	977,512	-	4,122,792	-	-			
8CFV	Vehicles Fuel	1,764,190	1,012,680	807,630	942,000	1,000,784	1,250,148	840,856	1,349,994	62%
8CGM	Mail Carriage Freight			8,889	-	12,996	-	-	-	
8CGO	Other Charges - Freight			1,489,652	-					
8CGR	Transport - Freight	-	11,640	5,100	25,000	276,878	25,002	195,000	25,002	780%
8CHI	International Medical Treatment					272,125	-			
8CHL	Local Medical Treatment	465,051	-	233,828	-	516,266	-	643,975	-	
8CHT	Other Medical Treatment	2,167	-							
8CIB	Boat Hire			4,000	-					
8CIE	Equipment Hire	53,332	121,250	80,712	-	80,000	-	40,000	-	
8CIF	Facilities Hire	208,955	698,400	130,000	25,000	140,978	25,002	1,513,354	25,002	6053%
8CIV	Vehicles Hire	8,000	-	54,889	-	56,000	-	10,500	-	
8CJO	Office Cleaning	95,195	465,600	68,724	83,998	398,394	139,998	144,909	184,998	78%
8CKD	Advertising - Communications	341,246	174,600	121,267	-	113,258	50,000	222,324	50,000	445%
8CKP	Postage - Communications	47,033	145,500	33,906	20,000	23,333	19,998	6,000	15,000	40%
8CKR	Printing - Communications	749,555	122,220	361,342	249,996	150,244	299,994	587,480	299,994	196%
8CKS	Stationery - Communications	4,814,823	491,790	967,724	2,717,998	419,772	1,204,992	768,040	1,245,000	62%
8CKT	Telephone / Fax - Communications	21,062,974	2,786,446	17,841,172	7,571,994	685,632	3,349,986	1,245,557	4,419,978	28%
8CMG	General - Materials	11,808	121,250	4,736	-	56,811	-	75,083	-	
8CMO	Office - Materials	367,523	368,600	51,155	1,075,000	158,342	-	118,252	-	
8CMS	Schools Materials	-	-							
8CNO	Office Rental	8,851,919	5,228,300	9,029,486	12,612,000	9,343,149	11,122,770	14,237,726	7,149,978	199%
8COF	Refunds	63,890	2,037,000							
8COI	Incidentals	2,337,490	2,061,250	5,816,095	3,222,712	3,365,570	5,321,096	1,742,334	1,013,706	172%
8COO	International Organisation Fees	59,675,979	38,999,964	55,550,673	70,000,000	34,752,532	30,000,000	31,743,000	173,667,300	18%
8COP	Official Entertainment	669,513	818,680	1,351,592	1,014,000	1,086,814	594,996	2,880,314	594,996	484%
8COS	Insurance	1,671,311	11,640	1,657,724	-	1,644,135	-	1,055,301	-	
8COT	Termination Payment			8,161,850	-	(508,249)	-	5,883,954	-	
8COU	Uniforms			107,378	-					
8CPE	Fees - Scholarships			12,000	-					
8CRB	Buildings Repairs & Maintenance	164,778	-	2,079,374	49,998	1,051,597	1,249,998	1,030,510	2,000,000	52%
8CRE	Equipment Repairs &	318,407	320,100	69,956	574,998	823,247	225,000	382,449	150,000	255%

	Maintenance									
8CRM	Maintenance Contract	65,222	203,700	633,340	-	564,641	-	12,502	-	
8CRV	Vehicles Repairs & Maintenance	2,059,700	535,440	1,262,666	1,585,000	2,445,797	1,086,912	1,372,811	1,270,000	108%
8CSF	Food - Suppliers			75,507	-	358,345	-			
8CSR	Rations Suppliers			260,752	-	(56,036)	-			
8CTI	International Travel	7,506,406	4,660,850	9,327,737	17,171,566	3,716,066	10,949,958	4,585,695	7,260,504	63%
8CTL	Local Travel	1,516,780	407,400	193,567	184,588	702,674	864,582	1,133,276	2,128,986	53%
8CUE	Electricity Utilities	3,160,751	1,454,134	1,423,233	1,799,994	188,265	-	1,374,520	2,549,994	54%
8CUW	Water Utilities	363,959	87,300					-	-	
8CZV	Value Added Tax	2,797,271	-	2,731,348	299,994	2,085,257	220,026	1,700,704	99,996	1701%
8DAI	International Organisations	9,104,221	-	3,182,088	1,564,104	1,496,499	3,128,225	9,765,383	-	
8DGF	Fee Supplement Grant					-	-			
8DGO	Operating Grant			2,400,000	-	17,088,987	-	12,644,737	1,249,992	1012%
8DGS	Stationery Grant			12,000	-					
8DGT	Other Grant	-	-							
8EEA	Equipment - Additional General	49,885	-	-	50,000	-	2,549,998	435,259	2,946,149	15%
8EEC	Equipment - Computer			117,333	-	332,267	692,502	24,000	592,502	4%
8EET	Equipment - Computer Software Purchases			14,036	-					
8EEH	Equipment - Heavy Equipment							-	-	
8EER	Equipment - Replacement General							98,356	-	
8EFO	Furniture - Office Furniture	-	291,000	26,489	-	112,000	574,800	1,634,756	590,002	277%
8EVA	Vehicle - Additional Vehicle					880,000	-			
8FCB	Bank Charges	136,483	-	93,738	-	114,991	-	76,250	-	
OVER	Overhead expenses	-	13,103,351	-	(11,564,650)	-	3,155,000	-	509,009	0%
	Operating Expenses	135,113,158	80,542,597	132,755,386	116,764,214	98,402,982	81,374,601	108,615,575	71,301,900	152%

Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 51.6 million. This is about 11.6 million more than 2016 in the same period. Major expenses are from operating grant which was 11.3 million, international organisation fees VT 9.7 million, office rental VT 7.1 million, termination payment VT 5.8 million, subsistence allowances VT 4.9 million, official entertainment VT 2.2 million, international organisation fees VT 1.7 million and insurance VT 1 million. Expenses continues to increase every year with no or very little allocated budget. Ministry should already notice the trend and budget accordingly.

Overspent on chart of accounts

Most of the chart of accounts are overspent in the first half of 2017 and also had been overspent over the years in the same period. Subsistence allowances, facility hire, advertising, printing, official entertainment and VAT need to have more funds injected into it as they are some of the chart of accounts that continue to overspent over the years.

Improvement on chart of accounts management

Unbudgeted items and overspent figures are still very high, it has increased very much for the latter. MFAICET needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts or overspending on the budgeted accounts.

Figure 7: Operation over spent chart of accounts

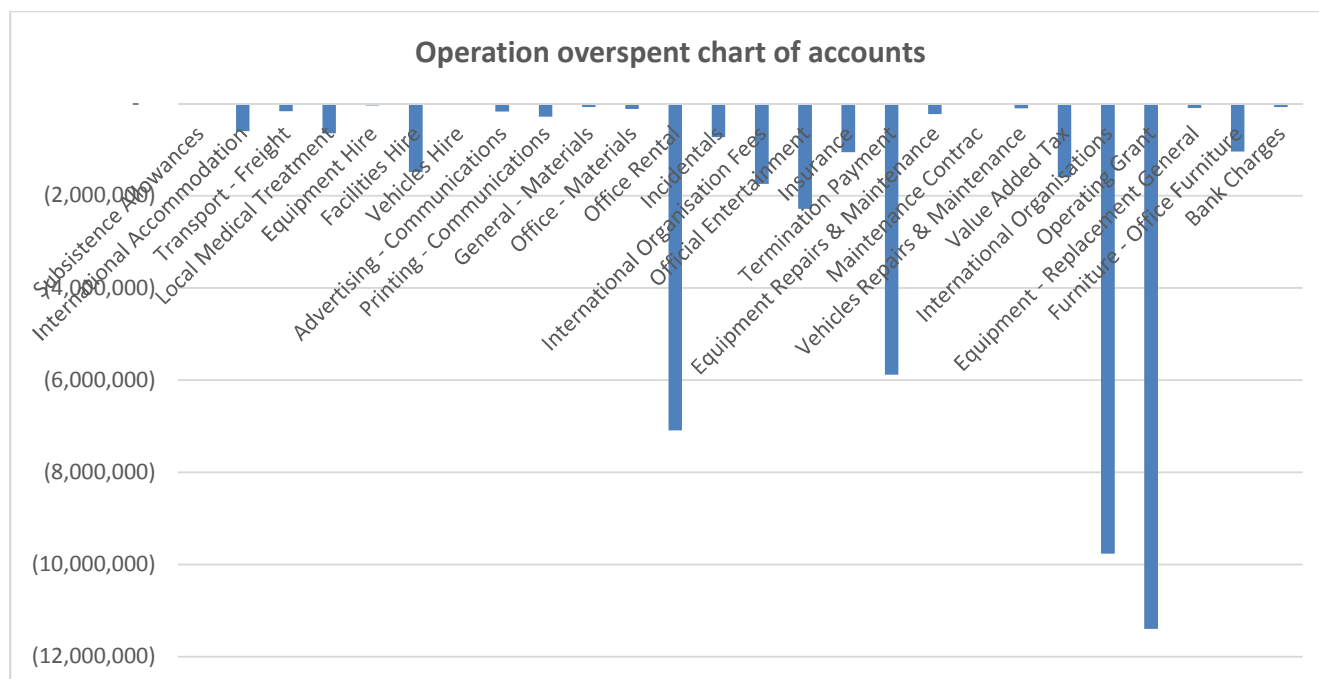
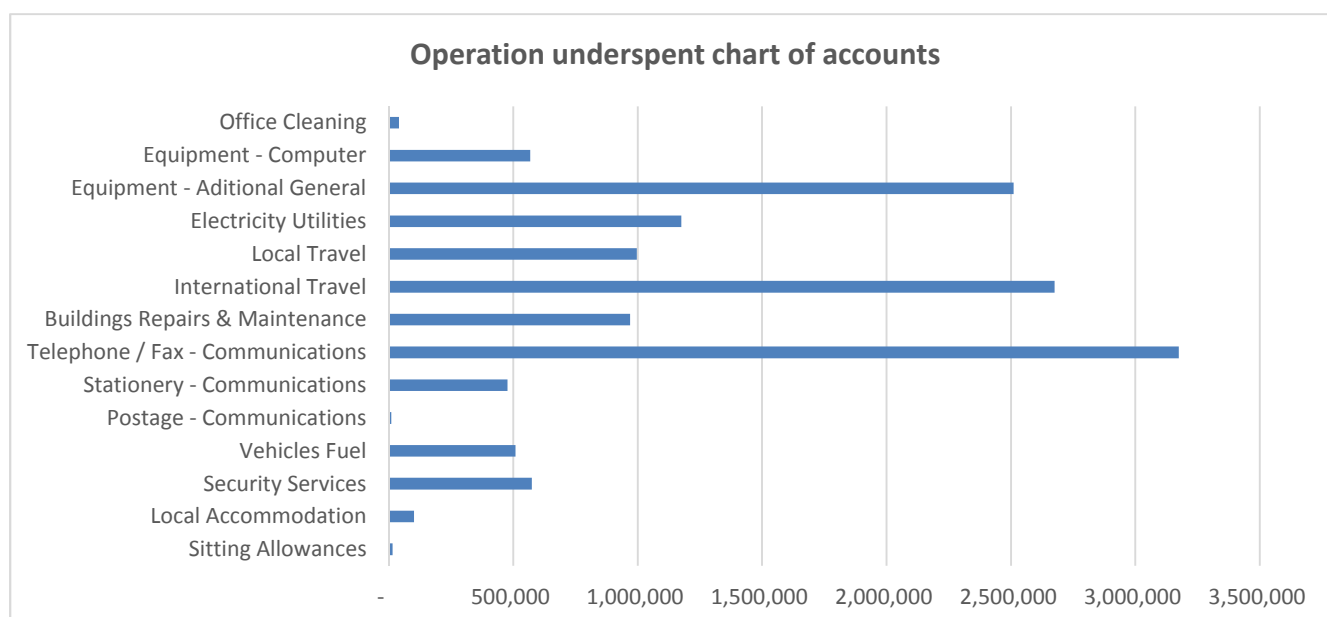


Figure 8: Operation under spent chart of accounts



REVENUE PLANNING AND MANAGEMENT

1. CURRENT REVENUE PLANNING AND MANAGEMENT

The Ministry collected VT 957,388 in the first half of 2017 compared to VT 4,501,222 in the same period last year, 2016.

Table 4: Revenue 2014-2017

Year	Revenue	Budget	Over/(Under)	Cash Received
2017	957,388	35,249,856	(34,292,468)	957,388
2016	4,501,222	100,499,598	(95,998,376)	4,501,222
2015	3,021,793	88,265,094	(85,243,301)	3,044,833
2014	154,500	249,996	(95,496)	154,500

Source: Department of Finance & Treasury

MOFAICET collected most of its revenue in the first half of 2017 other fees and collected only 2.7 percent of its revenue target of the first half of the year.

2. OUTSTANDING REVENUES

MFAICET had an outstanding revenue of VT 133,875 at the end of the first half of the year.

ASSET MANAGEMENT

The Ministry does not check their assets status before preparing budgets therefore chart of account office furniture was overspent by just over VT 1 million and replacement of equipment was overspent by around VT100,000.

VIREMENT

There was a total of 4 virements processed in the first half of 2017 with a value of VT 2,257,000 compared to no virement in the same period in 2016.

Table 5: Virements

VIRED OUT				VIRED IN				
FUND	DEPT	ACTIVITY	ACCOUNT	FUND	DEPT	ACTIVITY	ACCOUNT	AMOUNT
2	39AG	MOGC	PAYR	2	39AA	MOGA	OVER	1,034,858
2	44BF	MOBA	PAYR	2	41AB	MOAA	OVER	200,000
2	44BB	MOBA	OVR	2	41AB	MOAA	OVER	1,457,000

Source: Department of Finance & Treasury

Graphs below showing number and value of virement in 2017 in the first half of the year and the in past three years in the same period.

Figure 9: Number of Virements 2014-2017

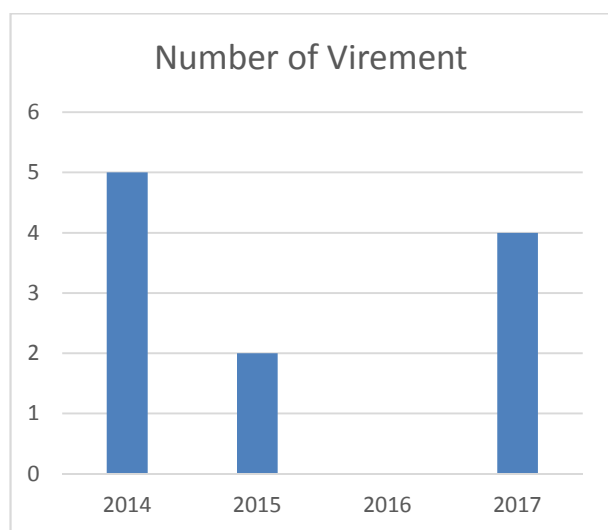
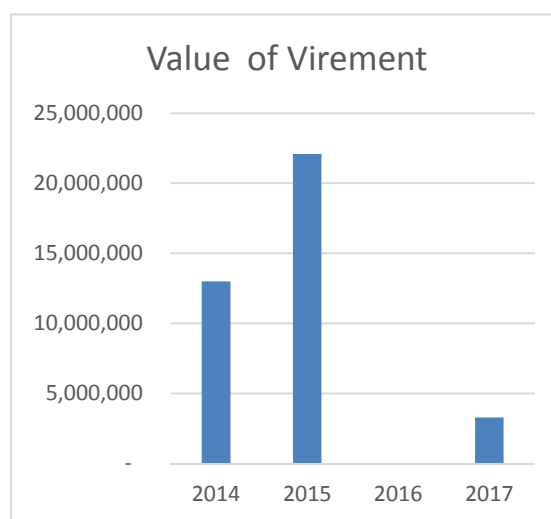


Figure 10: Value of Virements 2014-2017



IMPREST MANAGEMENT

At the end of the first six months of 2017, the office had a total of VT 990,060 outstanding imprest to reitre.

Table 6: Outstanding Imprests as of end of the first half of 2017.

Department Section	Amount Advanced	Amount Paid	Amount Outstanding
External Trades	19,800	0	19,800
Cabinet and DG's Office	905,260	240,000	665,260
Foreign Affairs	305,000	0	305,000
TOTAL	1,230,060	240,000	990,060

Source: Department of Finance & Treasury