

## OFFICE OF THE OMBUDSMAN

### INTRODUCTION AND KEY FINDINGS

The Office of the Ombudsman has four objectives articulated in its 2017 Business Plan:

1. Effective and Prompt investigation of complaints and reduction of backlogs.
2. Monitoring and enforcement of multilingualism.
3. Progressing an effective outreach Program to build a good working relationship with Government agencies & state institutions, NGOs and the general public.
4. Improve management of the human, physical and financial resources of the Ombudsman's Office.

### SUMMARY OF KEY FINDINGS

Area	Finding
<b>Budget Management and Planning</b>	Analysis shows that The Office of the Ombudsman had an allocated 2017 annual budget of VT 36,503,195. The Office had already spent 36.5 percent of the annual budget and with that current rate of spending it is most likely that it will underspent its budget at the end of the year.
<b>Activity and Cost Centre Management and Planning</b>	The Office of the Ombudsman has only one cost center and had underspent its half year budget by 26 percent or VT 4.7 million.
<b>Payroll Budget Management and Planning</b>	The half year budget for payroll for 2017 was VT14,703,128 and the total expenditure was VT 11,020,812. The Office had underspent on its payroll budget by 25.1 percent or VT 3.7 million in the first half of the year.
<b>Operation Budget Management and Planning</b>	The operation budget for the first half of the year for 2017 was VT 3,313,276 and the total expenditure was VT 2,326,892. The Office had underspent on its operation budget by 29.8 percent or VT 986,384 in the first half of the year.
<b>Detailed Charts of Accounts In Payroll Expenditure Management and Planning</b>	<p>Total expenses of unbudgeted items for the first half of 2017 was VT 924,221. This is about VT 246,000 more than the first half of 2016. Major expense was from acting allowance VT 772,668.</p> <p>Acting allowances and responsibility allowances have no allocated budget for the first half of the year and in the last three years in the same period. The expenses also increases every year. The Office needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts.</p>
	Total expenses of unbudgeted items for the first half of 2017 was VT 166,646. This is a about VT 1.3 million less than 2016 in the same

<b>Detailed Chart of Accounts in Operation Expenditure Management and Planning</b>	<p>period. Major expense are from equipment repair and maintenance VT 129,678</p> <p>Most of the chart of accounts are underspent in the first half of 2017. There are new overspent chart of accounts this year and the chart of accounts that were overspent last year 2016 were underspent this year.</p> <p>There is a big improvement on the accounts management compared to 2016.</p>
<b>Current Revenue Planning and Management</b>	The Office collected no revenue in first half of 2017 and this is the same for the last three years in the same period.
<b>Outstanding Revenues</b>	The Office had an outstanding revenue of VT 231,390 at the end of the first half of the year.
<b>Asset Management</b>	The Office did not buy any asset in the first half of 2017 and did not allocate any funds for asset either.
<b>Virements</b>	There was no virement processed in the first half of 2017 and 2016.
<b>Imprest Management</b>	At the end of the first six months of 2017, the Office had a no outstanding imprest to reitre.

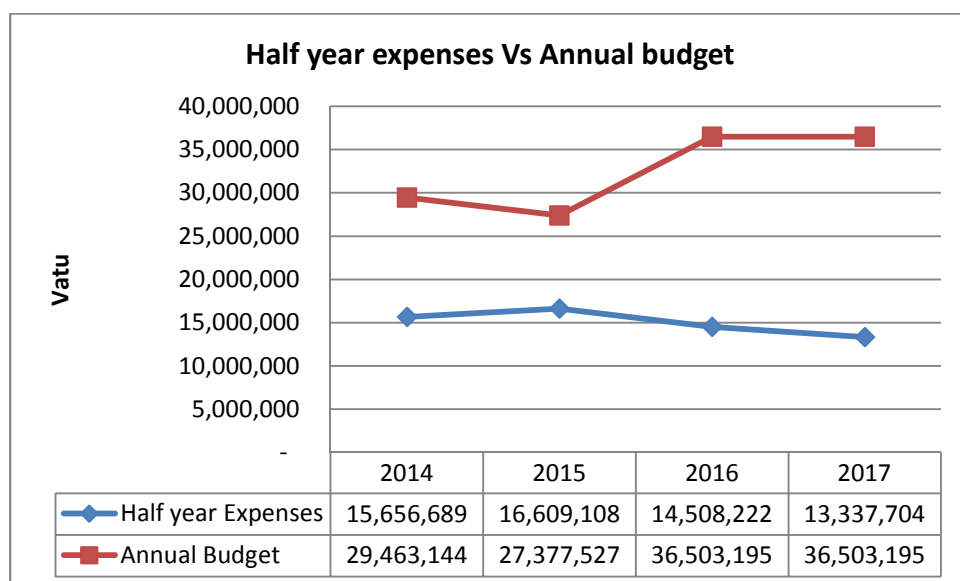
## FINANCIAL MANAGEMENT ASSESSMENT

### 1. BUDGET PERFORMANCE

#### 1.1 Overall Budget Management and Planning

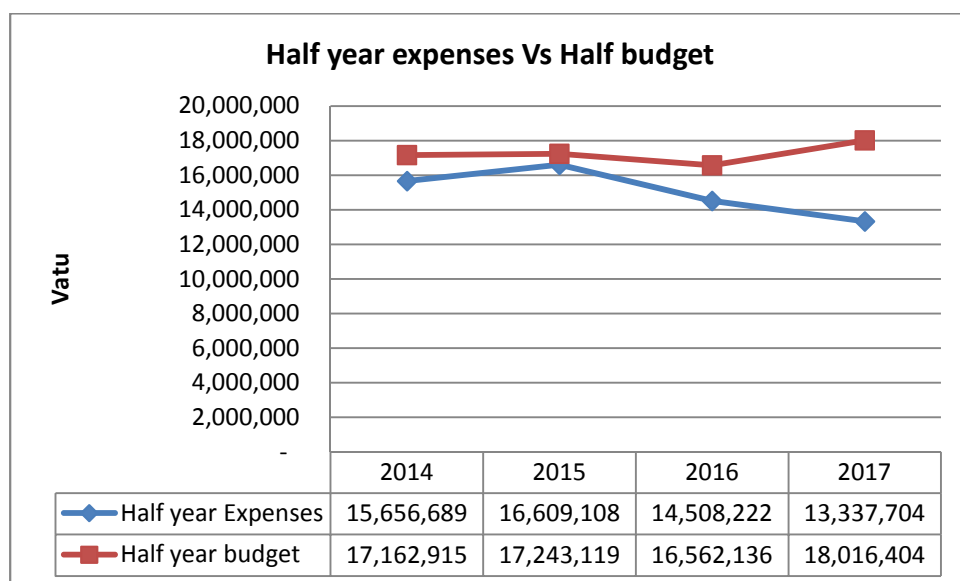
Analysis shows that The Office of the Ombudsman had an allocated 2017 annual budget of VT 36,503,195. The Office had already spent 36.5 percent of the annual budget and with that current rate of spending it is most likely that it will underspent its budget at the end of the year.

Figure 1: Expenditure Vs Budget



The above graph shows the half yearly expenditures against the annual budget for 2017 and the past three years in the same period. In 2016, the Office had spent 39.7 percent, 60.7 percent in 2015 and 53.1 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 the first half of 2017 and the past three years.

The Office had spent 74 percent of its half year budget in the first half of the year compared to 87.6 percent in 2016, 96.3 percent in 2015 and 91.2 percent in 2014.

## 1.2 Activity and Cost center management and planing

The Office of the Ombudsman has only one cost center and had underspent its half year budget by 26 percent or VT 4.7 million.

**Table1: Cost centers budget and expenditures**

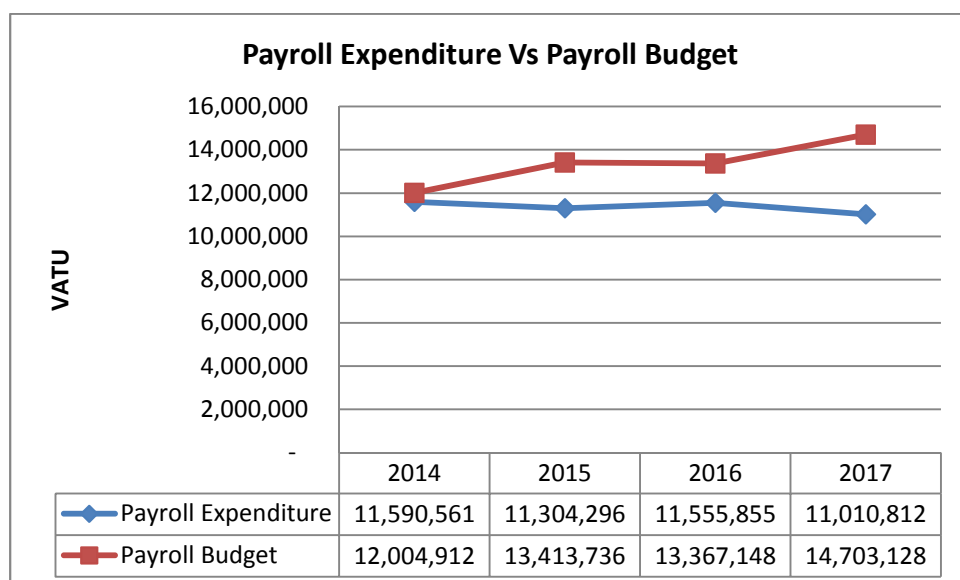
Cost Centre	Description	Actual	Commitment	Total	Budget	Under/(Over)
<b>03AA</b>						
	<b>Personnel Expenses</b>	<b>10,536,732</b>	<b>474,080</b>	<b>11,010,812</b>	<b>14,703,128</b>	<b>3,692,316</b>
	<b>Operating Expenses</b>	<b>1,838,815</b>	<b>488,077</b>	<b>2,326,892</b>	<b>3,313,276</b>	<b>986,384</b>
	<b>Total Expenditure</b>	<b>12,375,547</b>	<b>962,157</b>	<b>13,337,704</b>	<b>18,016,404</b>	<b>4,678,700</b>

Source: Department of Finance & Treasury

## 1.3. Payroll Budget Management and Planning

The half year budget for payroll for 2017 was VT14,703,128 and the total expenditure was VT 11,020,812. The Office had underspent on its payroll budget by 25.1 percent or VT 3.7 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 yellow 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 budget
	<b>Personnel Expenses</b>									
8AAA	Acting Allowances	89,250	-	(10,000)	-	624,413	-	772,668	-	
8AAB	Responsibility Allowance	46,909	-	66,410	-	13,800	-	74,513	-	
8AAF	Family Allowance	239,856	327,999	223,704	282,759	200,376	289,287	215,280	312,000	69%
8AAG	Gratuitie Allowances							-	-	
8AAH	Housing Allowances	1,163,291	1,447,675	1,180,623	1,519,114	1,196,642	1,529,878	917,674	1,500,005	61%
8AAO	Other Allowances			40,000	7,067	-	6,952			
8AAP	Home Island Passage Allowances			-	37,700	76,634	37,087			
8AAS	Special Allowances	102,637	-	-	43,308	-	42,604			
8ASP	Provident Fund	401,051	482,646	390,964	486,835	395,478	453,853	385,325	507,812	76%
8AWC	Contract Wages							77,040	-	
8AWL	Leave expense			452,992	-					
8AWP	Permanent Wages	9,547,567	11,738,125	8,959,603	11,837,823	9,048,512	11,007,487	8,568,312	12,383,311	69%

PAYR	Payroll expenses	-	(1,991,533)	-	(800,870)	-	-	-	-	
	<b>Personnel Expenses</b>	<b>11,590,561</b>	<b>12,004,912</b>	<b>11,304,296</b>	<b>13,413,736</b>	<b>11,555,855</b>	<b>13,367,148</b>	<b>11,010,812</b>	<b>14,703,128</b>	<b>75%</b>

Source: Department of Finance & Treasury

## Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 924,221. This is about VT 246,000 more than the first half of 2016. Major expense was from acting allowance VT 772,668.

## Improvement on chart of accounts management

Acting allowances and responsibility allowances have no allocated budget for the first half of the year and in the last three years in the same period. The expenses also increases every year. The Office needs to allocate enough funds to minimise spending on the unbudgeted chart of accounts.

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

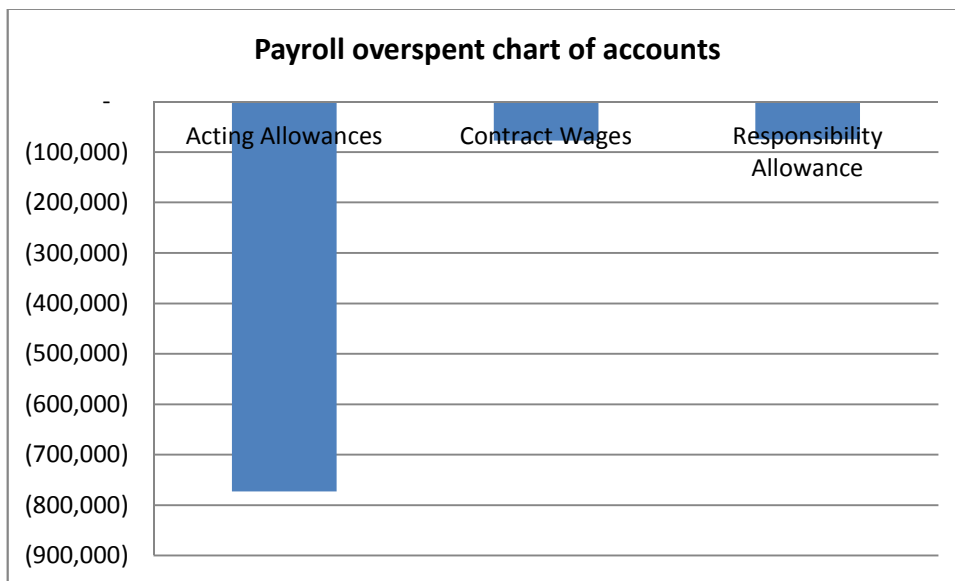
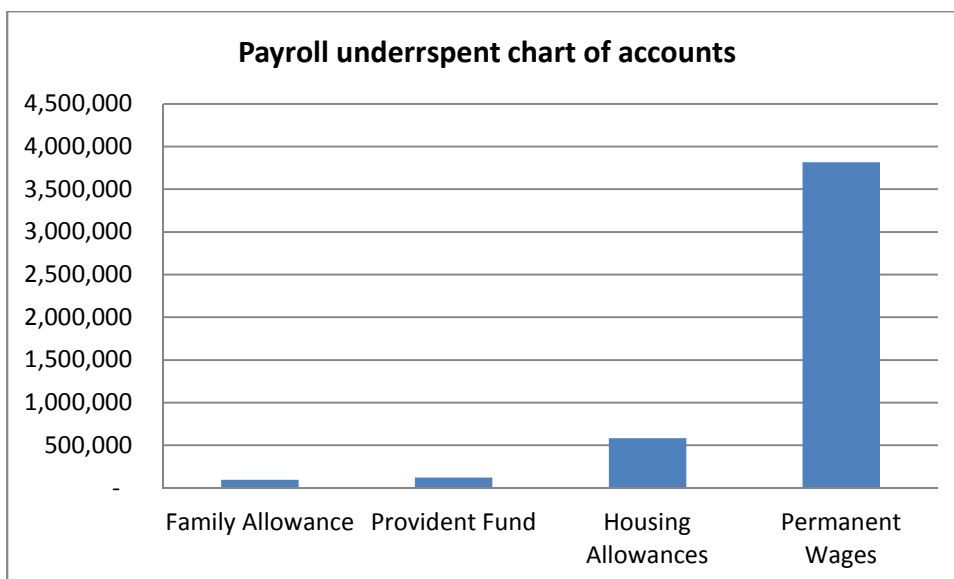


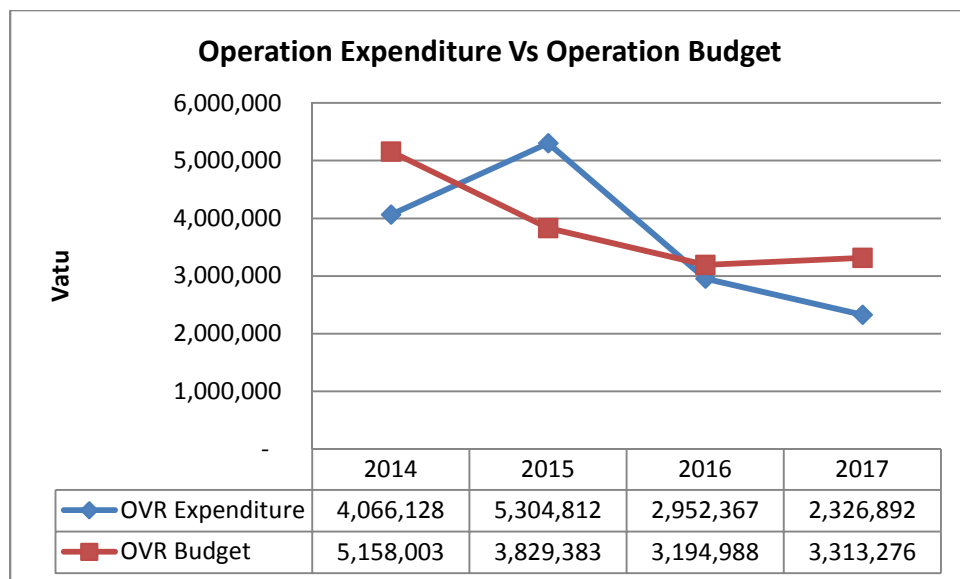
Figure 5: Payroll 2017 first half of the year underspent chart of accounts



## 1.5. Operation Budget Management and Planning

The operation budget for the first half of the year for 2017 was VT 3,313,276 and the total expenditure was VT 2,326,892. The Office had underspent on its operation budget by 29.8 percent or VT 986,384 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 yellow 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
	<b>Operating Expenses</b>									
8CAB	Subsistence Allowances	-	141,162	-	25,000			-	50,000	0.0%
8CBL	Local Accommodation	21,334	-	-	15,000			-	50,000	0.0%
8CCL	Local Courses			-	5,000					0.0%
8CFV	Vehicles Fuel	245,026	276,864	268,447	175,004	94,962	274,998	123,567	175,000	70.6%
8CGO	Other Charges - Freight	1,410	-	-	4,000	-	10,002	2,710	10,000	27.1%
8CKD	Advertising - Communications	(3,068)	-	53,334	20,000	-	49,998	32,000	50,000	64.0%
8CKP	Postage - Communications	6,000	-	-	15,000	8,889	10,002	14,668	10,000	0.0%
8CKR	Printing - Communications	35,000	-			-	25,002	12,440	25,000	49.8%
8CKS	Stationery - Communications	119,106	-	354,065	75,000	91,445	249,996	100,000	150,000	66.7%

8CKT	Telephone / Fax - Communications	33,594	298,614	50,954	50,002	226,881	100,002	-	50,000	0.0%
8CNO	Office Rental	(955,417)	-	200,000	270,000	120,000	270,000	280,000	270,000	103.7%
8CNT	Other Rental			275,560	372,000	330,672	349,998	385,784	372,000	0.0%
8COI	Incidentals	3,554,893	1,088,256	192,022	47,504	1,363,032	199,998	172,909	311,276	55.5%
8COO	International Organisation Fees			-	150,340			-	100,000	0.0%
8COP	Official Entertainment	-	-	3,200	15,000	-	25,002			
8COT	Termination Payment			2,383,637	-					
8CRE	Equipment Repairs & Maintenance	233,167	271,038	360,495	75,000	22,223	199,998	279,678	150,000	186.5%
8CRM	Maintenance Contrac	106,667	-							
8CRV	Vehicles Repairs & Maintenance	(8,309)	-	262,532	175,004	50,943	199,998	25,973	125,000	20.8%
8CSF	Food - Suppliers							-	25,000	0.0%
8CTI	International Travel			-	15,000	50,000	-	-	150,000	0.0%
8CTL	Local Travel	27,716	-	58,224	66,000			-	75,000	0.0%
8CUE	Electricity Utilities	207,754	654,924	516,129	1,070,004	282,117	1,079,994	638,647	900,000	71.0%
8CUW	Water Utilities	7,823	145,500	1,897	34,004	1,553	49,998	-	15,000	0.0%
8CWL	Local Workshops	-	145,500							
8CZV	Value Added Tax	433,432	144,612	324,316	354,651	309,650	100,002	258,516	250,000	103.4%
8EEC	Equipment - Computer	-	-							
OVER	Overhead expenses	-	1,991,533	-	800,870	-	-	-	-	
	<b>Operating Expenses</b>	<b>4,066,128</b>	<b>5,158,003</b>	<b>5,304,812</b>	<b>3,829,383</b>	<b>2,952,367</b>	<b>3,194,988</b>	<b>2,326,892</b>	<b>3,313,276</b>	<b>70.2%</b>

Source: Department of Finance & Treasury

## Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 166,646. This is a about VT 1.3 million less than 2016 in the same period. Major expense are from equipment repair and maintenance VT 129,678

## Overspent on chart of accounts

Most of the chart of accounts were underspent in the first half of 2017. There are new overspent chart of accounts this year and the chart of accounts that were overspent last year 2016 were underspent this year.

## Improvement on chart of accounts management

There was a big improvement on the accounts management compared to 2016.

Figure 7: Operation over spent chart of accounts

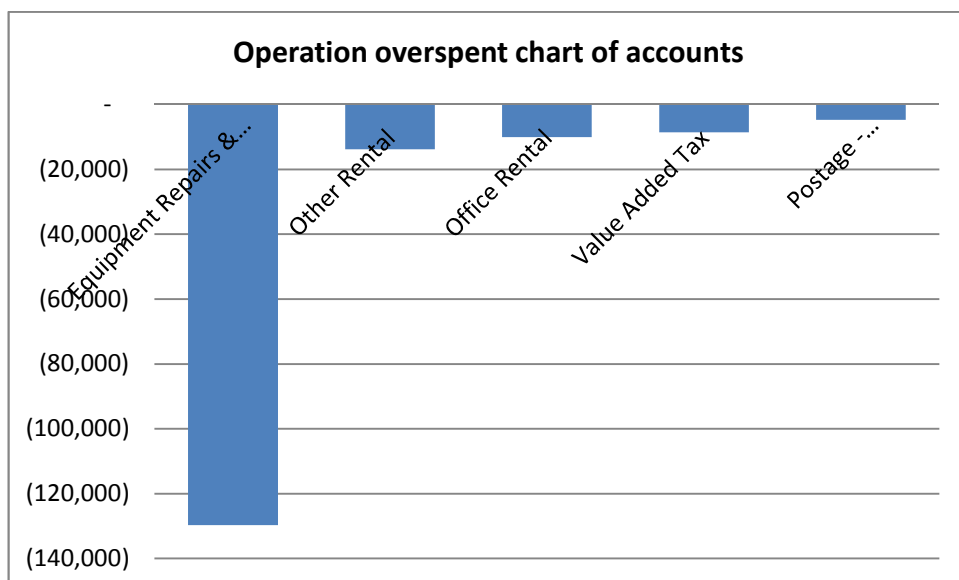
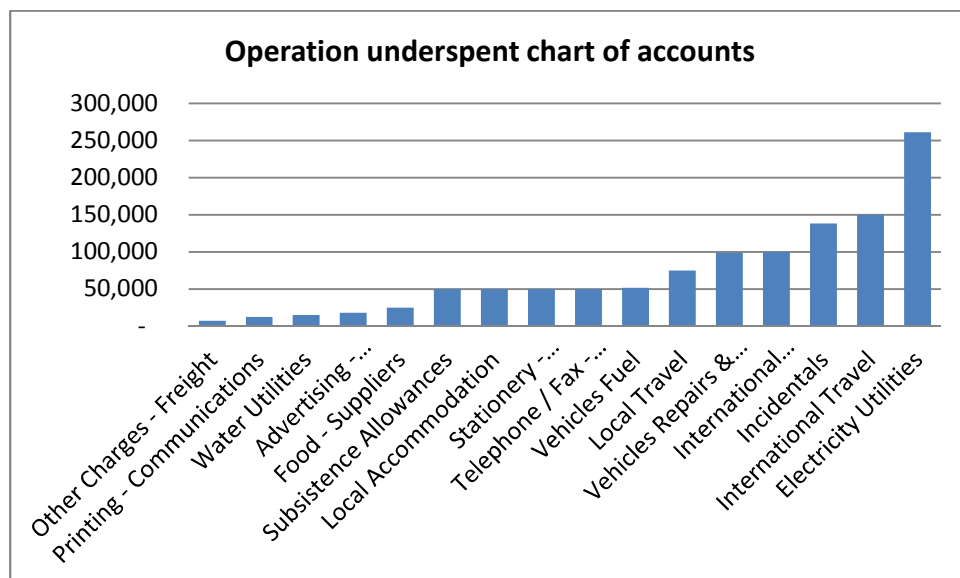


Figure 8: Operation under spent chart of accounts



## REVENUE PLANNING AND MANAGEMENT

### 1. CURRENT REVENUE PLANNING AND MANAGEMENT

The Office collected no revenue in first half of 2017 and this is the same for the last three years in the same period.

### 2. OUTSTANDING REVENUES

The Office had an outstanding revenue of VT 231,390 at the end of the first half of the year.



## ASSET MANAGEMENT

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The Office did not buy any asset in the first half of 2017 and did not allocate any funds for asset either.

## VIREMENT

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There was no virement processed in the first half of 2017 and 2016.

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

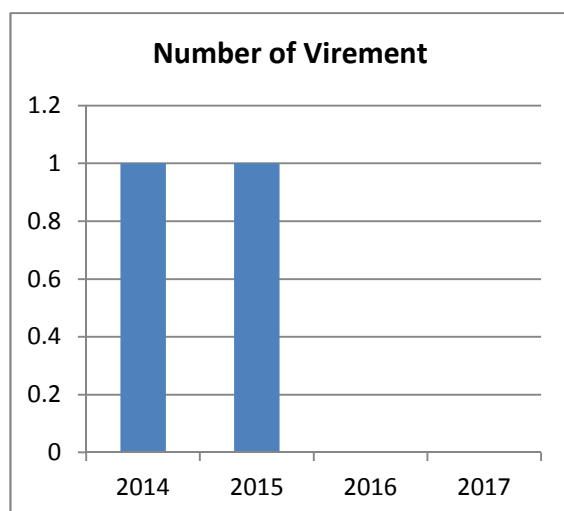
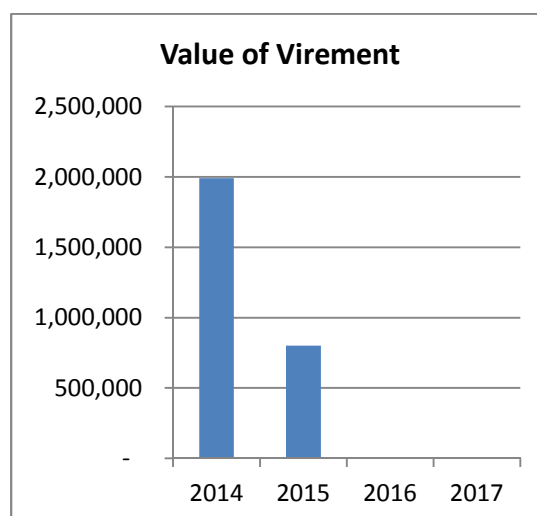


Figure 10: Value of Virements 2014-2017



## IMPREST MANAGEMENT

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At the end of the first six months of 2017, the Office had a no outstanding imprest to reitre.