

OFFICE OF THE PUBLIC SOLICITOR

INTRODUCTION AND KEY FINDINGS

The Public Solicitors Office is a Government instrumentality set up to provide certain legal services to the citizens of Vanuatu, particularly to ensure that the legal services as outlined in the Constitution of the Republic of Vanuatu are discharged fairly within Vanuatu, and is governed according to The Constitution of the Republic of Vanuatu and the Public Solicitors Act [CAP177].

Article 5 (2) of the Constitution states that

5(2) "Protection of the law shall include the following:-

a) Everyone charged with an offence shall have a fair hearing, within a reasonable time, by an independent court and be afforded a lawyer if it is a serious offence"

Article 56 of the Constitution states that

56 "The function of the Public Solicitor is to provide legal assistance to needy persons."

Section 5(2) of the PSO Act provides that the term "needy person" is to be:

"interpreted in relation to each particular case and, without limiting the generality of this expression, account shall be taken of the means of the person to meet the probable cost of obtaining alternative legal assistance, the availability of such assistance and the hardship which might result to the person if compelled to obtain legal assistance other than by the Public Solicitor."

SUMMARY OF KEY FINDINGS

Area	Finding
Budget Management and Planning	Analysis shows that The Office of the Public Solicitor has an allocated 2017 annual budget of VT 56,257,618. The Office had already spent 45 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.
Activity and Cost Centre Management and Planning	The Office had spent 89.3 percent of its half year budget in the first half of the year compared to 84.2 percent in 2016, 84.2 percent in 2015 and 73.7 percent in 2014.
Payroll Budget Management and Planning	The half year budget for payroll for 2017 was VT18,201,071 and the total expenditure was VT 18,570,659. The Office had overspent on its payroll budget by 2 percent or VT 369,588 in the first half of the year.
Operation Budget Management and Planning	The operation budget for the first half of the year for 2017 was VT 10,160,542 and the total expenditure was VT6,742,365. The Office had underspent on its operation budget by 33.6 percent or VT3.4 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 2,606,544. This is about VT 2.6 million more than the first half of 2016. Major expense was from permanent wages VT2.5 million..</p> <p>Permanent wages was overspent by 16 percent and provident fund was overspent by 15 percent of the allocated budget.</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 1.5 million. This is a about VT 1.2 million less than 2016 in the same period. Major expense are from printing VT 551,065, vehicles VT 255,743, Equipment computer : VT 173,317, transport freight VT 137,626, office cleaning VT 135,735 and equipment repairs VT 103,378.</p> <p>There are 7 chart of accounts that was overspent and continue to overpsent over the years.</p>
Current Revenue Planning and Management	The Office collected VT 333,800 of revenue in first half of 2017 compared to VT 315,525 in 2016 in the same period.
Outstanding Revenues	The Office had an outstanding revenue of VT 69,188 at the end of the first half of the year.
Asset Management	The Office bought some additional equipment and unbudgeted office furniture of VT 357,666. The Office needs to check its assets status before preparing budgets.
Virements	There was no virement processed in the first half of 2017 and in the same period in the past 3 years
Imprest Management	At the end of the first six months of 2017, the Office had a total of VT 241,500 outstanding imprest to reitre.

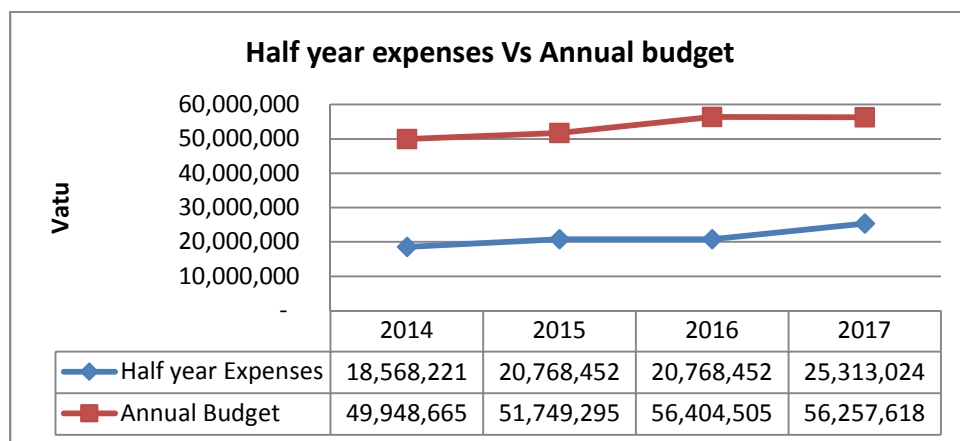
FINANCIAL MANAGEMENT ASSESSMENT

1. BUDGET PERFORMANCE

1.1 Overall Budget Management and Planning

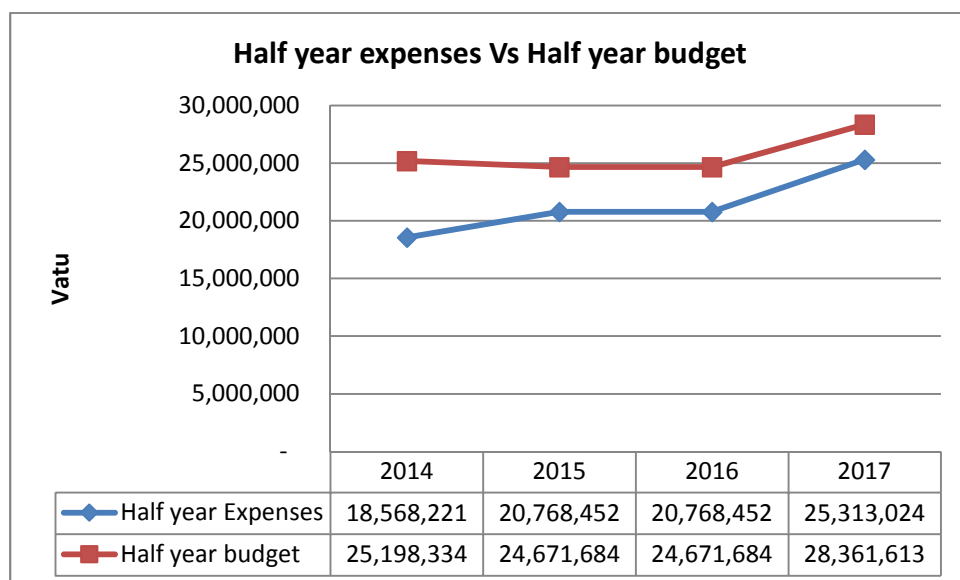
Analysis shows that The Office of the Public Solicitor has an allocated 2017 annual budget of VT 56,257,618. The Office had already spent 45 percent of the annual budget and with that current rate of spending it is most likely that it will underspent its budget at the end of the year.

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 36.8 percent in 2016, 40.1 percent in 2015 and 37.2 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 89.3 percent of its half year budget in the first half of the year compared to 84.2 percent in 2016, 84.2 percent in 2015 and 73.7 percent in 2014.

1.2 Activity and Cost center management and planing

The Office of the Public Solicitor has only one cost center and had underspent its half year budget by 10.7 percent or VT 3.4 million.

Table1: Cost centers budget and expenditures

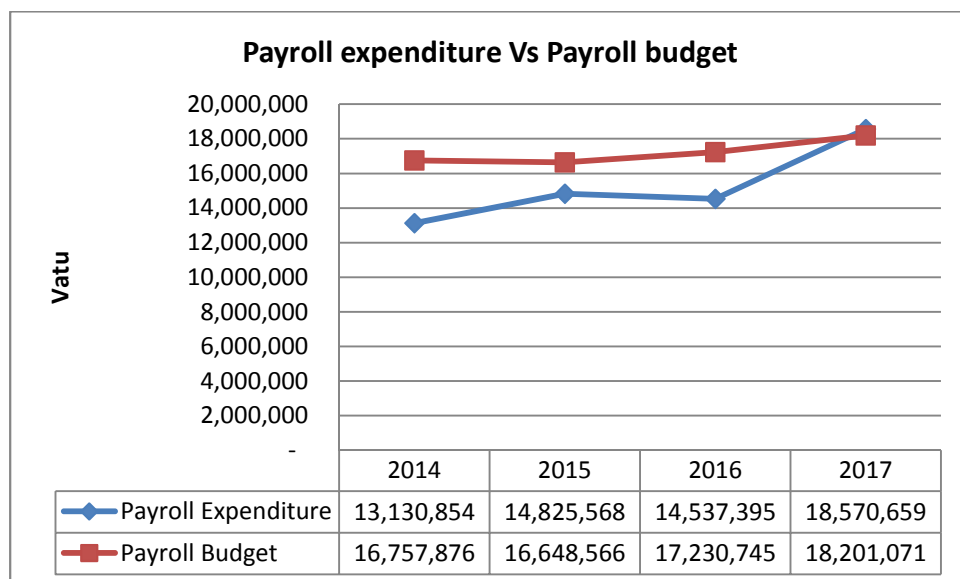
Description	Actual	Commitment	Total	Budget	Under/(Over)
Personnel Expenses	14,404,019	4,166,640	18,570,659	18,201,071	(369,588)
Operating Expenses	2,287,560	4,454,805	6,742,365	10,160,542	3,418,177
Total Expenditure	16,691,579	8,621,445	25,313,024	28,361,613	3,048,589

Source: Department of Finance & Treasury

1.3. Payroll Budget Management and Planning

The half year budget for payroll for 2017 was VT18,201,071 and the total expenditure was VT 18,570,659. The Office had overspent on its payroll budget by 2 percent or VT 369,588 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 red 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
	Personnel Expenses									
8AAA	Acting Allowances					27,199	-	-	31,733	0%
8AAB	Responsibility Allowance					4,196	-	23,919	-	
8AAF	Family Allowance	132,784	296,829	144,182	247,766	225,399	480,000	-	218,881	0%
8AAG	Gratuitie Allowances					586,625	470,400			0%
8AAH	Housing Allowances	967,072	1,706,894	1,086,447	1,611,721	1,656,451	3,624,320	-	1,800,158	0%
8AAO	Other Allowances			15,000	-	4,800	35,000	5,000	-	0%
8AAP	Home Island Passage Allowances	114,225	255,061	78,360	94,255	92,302	860,000	195,217	381,401	51%
8AAS	Special Allowances	-	37,333	15,000	37,700	-	40,800			

8ASP	Provident Fund	463,438	542,419	524,258	574,713	1,190,742	1,257,036	706,566	616,136	115%
8AWL	Leave expense	-	-	-	-	3,111,451	-	-	-	-
8AWP	Permanent Wages	11,453,335	13,919,340	12,962,321	14,082,411	30,540,906	30,870,120	17,639,957	15,152,762	116%
PAYR	Payroll expenses	-	-	-	-	-	-	-	-	-
	Personnel Expenses	13,130,854	16,757,876	14,825,568	16,648,566	37,440,071	37,637,676	18,570,659	18,201,071	102%

Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 2,606,544. This is about VT 2.6 million more than the first half of 2016. Major expense was from permanent wages VT2.5 million..

Overspent on chart of accounts

Permanent wages was overspent by 16 percent and provident fund was overspent by 15 percent of the allocated budget.

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

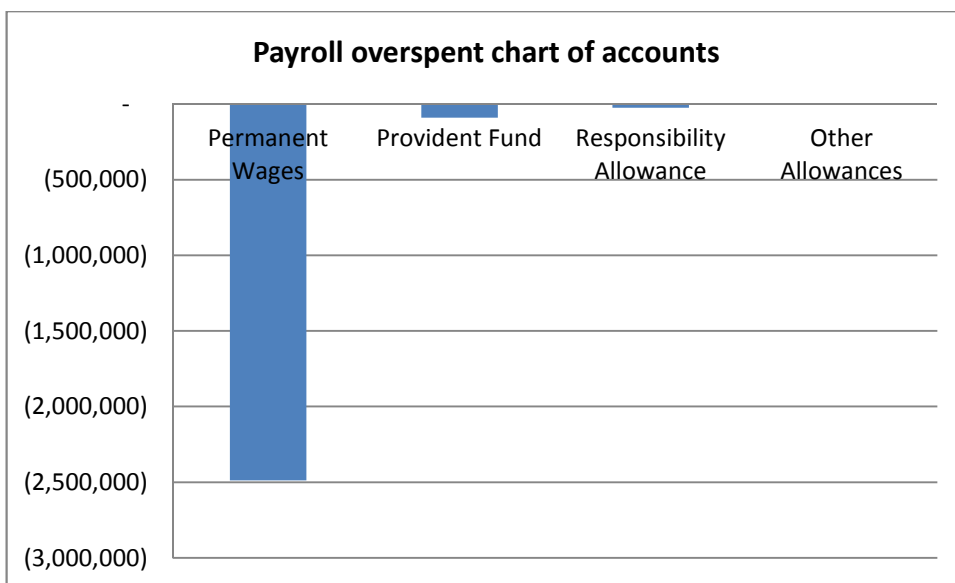
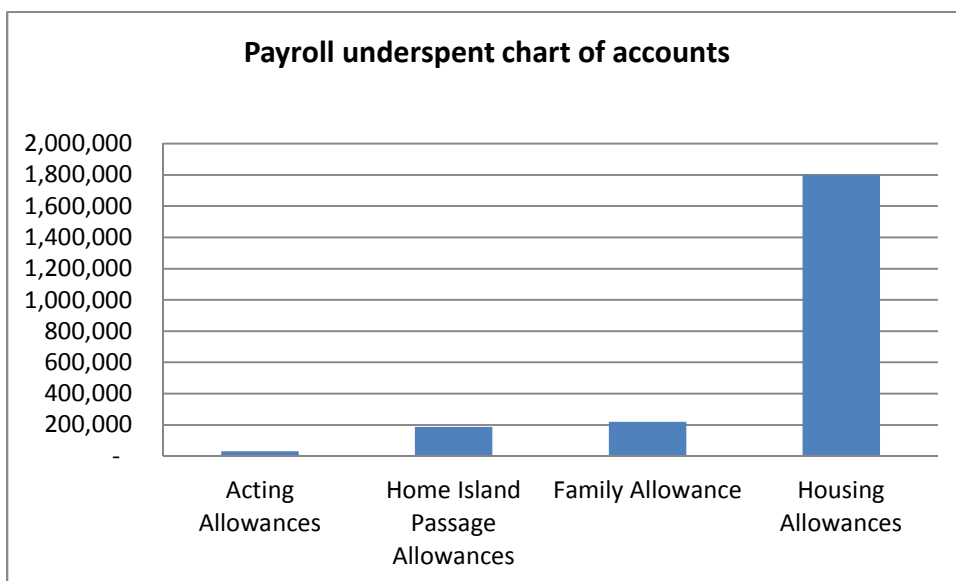


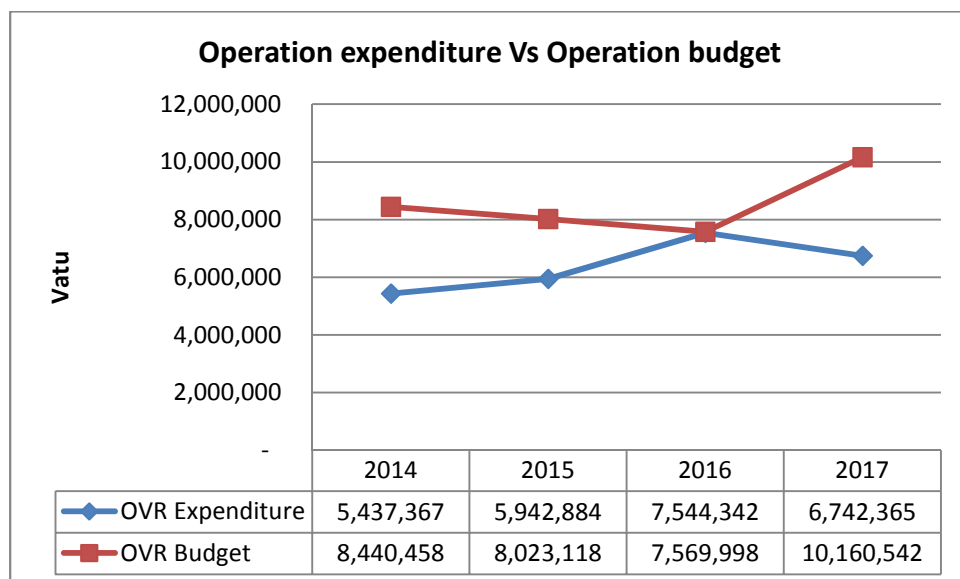
Figure 5: Payroll 2017 first half of the year underspent chart of accounts



1.5. Operation Budget Management and Planning

The operation budget for the first half of the year for 2017 was VT 10,160,542 and the total expenditure was VT6,742,365. The Office had underspent on its operation budget by 33.6 percent or VT3.4 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 yellow are expenses against no allocated budget, the highlighted green are overspent chart of accounts.

Table 3: Operation Chart of accounts 2014-2017

Description	2014 Expenditure	2014 Budget	2015 Expenditure	2015 Budget	2016 Expenditure	2016 Budget	2017 Expenditure	2017 Budget	OVR Expenditure as % of OVR budget
Operating Expenses									
Subsistence Allowances	582,000	562,900	1,217,000	900,000	2,672,000	2,945,000	822,000	1,334,000	61.6%
Repatriation Allowances	80,000	-	-	48,000					
Local Accommodation	-	218,913							
Consultants Fees			10,000	100,002	-	100,000	-	58,000	0.0%
Software Maintenance Fees	-	-	-	120,000	-	100,000	-	58,000	0.0%
Other Fees	75,555	14,550	-	25,002	1,000	50,000	-	11,600	0.0%
Vehicles Fuel	379,548	588,023	407,266	510,000	719,813	714,000	268,396	414,508	64.8%
Mail Carriage Freight			6,301	-	-	10,000			
Other Charges - Freight	-	18,915	7,209	-	-	10,000	4,444	11,600	38.3%
Transport - Freight	63,733	50,440	3,710	60,000	100,242	50,000	166,626	29,000	574.6%

Storage - Freight					1,111	-	6,675	-	
Local Medical Treatment	-	18,915	-	12,000	641,110	20,000	-	29,000	0.0%
Boat Hire					5,000	500,000	-	290,000	0.0%
Equipment Hire	-	127,783	234,667	140,802	-	200,000	-	58,000	0.0%
Facilities Hire			1,500	30,000	-	5,000	-	29,000	0.0%
Vehicles Hire	-	12,610	-	9,000					
Office Cleaning	58,079	126,100	159,223	150,000	255,765	200,000	280,735	145,000	193.6%
Schools Cleaning							11,600	-	
Advertising - Communications	44,976	18,915	32,266	30,000	91,923	50,000	-	29,000	0.0%
Postage - Communications	11,564	31,525	38,604	36,000	15,688	50,000	-	29,000	0.0%
Printing - Communications	-	315,250	242,666	270,000	365,998	250,000	783,065	232,000	337.5%
Stationery - Communications	58,869	321,555	752,018	510,000	1,185,164	700,000	314,441	464,000	67.8%
Telephone / Fax - Communications	76,257	111,552	26,667	300,000	(65,917)	394,000	248,888	220,400	112.9%
General - Materials			-	30,000	24,000	-			
Office - Materials	30,844	37,830	8,001	30,000	14,750	50,000	37,315	29,000	128.7%
Office Rental	1,013,329	853,596	853,331	959,994	1,706,660	1,653,336	319,999	1,113,600	28.7%
Other Rental					106,666	-			
Court Costs	-	630,500	(1,500,000)	600,000	10,000	1,000,000	88,888	754,000	11.8%
Incidentals	33,984	138,710	241,923	96,524	109,695	120,451	61,536	87,000	70.7%
Official Entertainment	70,491	56,745	20,173	60,000	126,094	70,000	23,625	58,000	40.7%
Termination Payment	-	45,500	-	180,000	-	200,000	-	203,000	0.0%
Uniforms	-	56,745			-	75,000	-	34,800	0.0%
Buildings Repairs & Maintenance	2,564	370,675	78,924	330,000	2,563,625	2,500,000	111,653	464,000	24.1%
Equipment Repairs & Maintenance	45,332	276,100	83,549	90,000	278,111	150,000	219,378	116,000	189.1%
Maintenance Contrac	34,666	162,312	259,777	220,800	-	368,000	-	203,000	0.0%
Vehicles Repairs & Maintenance	192,916	301,762	237,158	180,000	746,752	310,000	545,743	290,000	188.2%
Other Suppliers	-	93,915							61.6%
Local Travel	490,495	690,500	1,058,115	600,000	1,608,938	2,300,000	695,449	1,160,000	60.0%
Electricity Utilities	649,309	830,498	349,143	574,998	1,058,344	1,400,000	639,499	812,000	78.8%
Water Utilities	-	128,800	-	30,000	(165,343)	70,000	30,587	50,000	61.2%
Local Workshops					-	50,000	-	17,400	0.0%
Value Added Tax	525,635	913,074	654,131	549,996	1,425,963	1,347,042	617,744	978,634	63.1%
Equipment - Aditonal General	604,444	63,050	27,119	90,000	16,799	220,000	14,933	29,000	51.5%
Equipment - Computer	184,333	189,150	149,333	90,000	757,825	240,000	289,317	116,000	249.4%
Equipment - Photocopiers			18,666	-	(18,666)	-	45,611	-	
Equipment - Replacement General	26,222	31,525	213,333	30,000	-	245,000	94,218	145,000	65.0%
Furniture - Office	102,222	31,525	51,111	30,000	392,088	50,000	-	58,000	0.0%
Government Guarantees					21,333	-			61.6%
Overhead expenses	-	-	-	-	-	-	-	-	
Operating Expenses	5,437,367	8,440,458	5,942,884	8,023,118	16,772,531	18,766,829	6,742,365	10,160,542	66.4%

Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 1.5 million. This is about VT 1.2 million less than 2016 in the same period. Major expense are from printing VT 551,065, vehicles VT 255,743, equipment computer : VT 173,317, transport freight VT 137,626, office cleaning VT 135,735 and equipment repairs VT 103,378.

Overspent on chart of accounts

There chart of accounts that was overspent had also been overpsent in the previous over the years.

Figure 7: Operation over spent chart of accounts

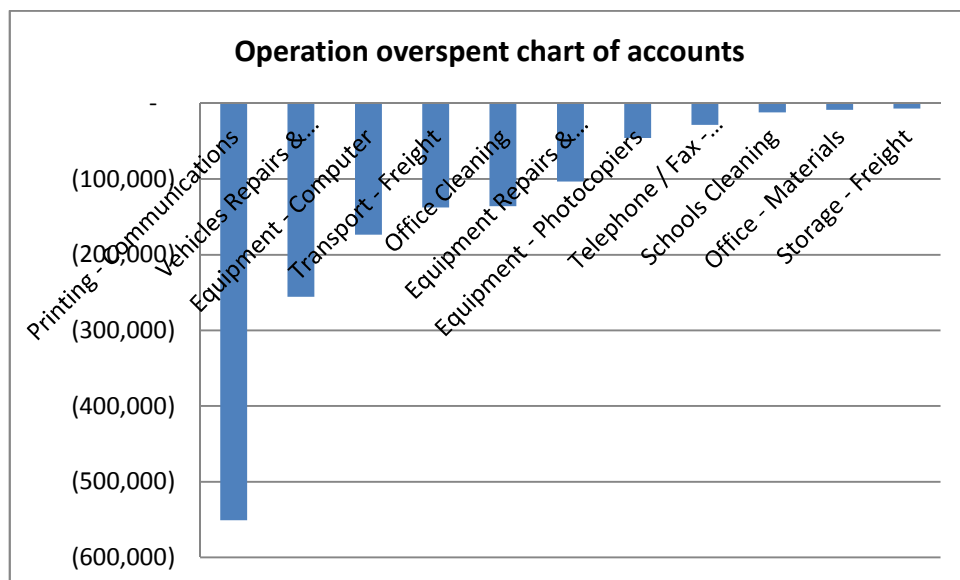
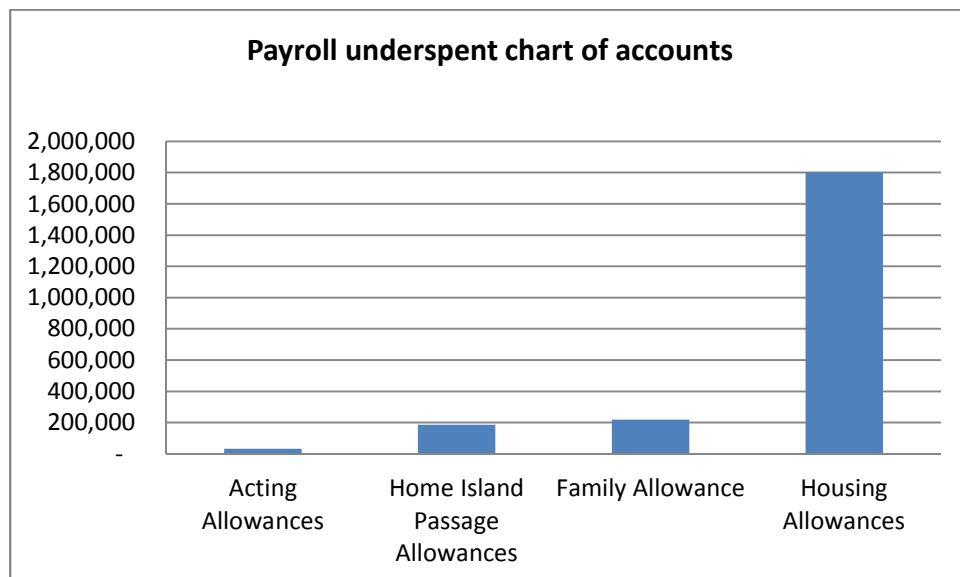


Figure 8: Operation under spent chart of accounts



REVENUE PLANNING AND MANAGEMENT

1. CURRENT REVENUE PLANNING AND MANAGEMENT

The Office collected VT 333,800 of revenue in first half of 2017 compared to VT 315,525 in 2016 in the same period.

Table 4: Revenue 2014-2017

Year	Revenue	Budget	Over/(Under)	Cash Received
2017	333,800	440,000	(106,200)	333,800
2016	294,525	300,000	(4475)	315,525
2015	673,889	300,000	(373,889)	674,889
2014	155,984	300,000	(144,016)	135,984

Source: Department of Finance & Treasury

2. OUTSTANDING REVENUES

The Office had an outstanding revenue of VT 69,188 at the end of the first half of the year.

ASSET MANAGEMENT

The Office bought some additional equipment and unbudgeted office furniture of VT 357,666. The Office needs to check its assets status before preparing budgets.

VIREMENT

There was no virement processed in the first half of 2017 and in the same period in the past 3 years

IMPREST MANAGEMENT

At the end of the first six months of 2017, the Office had a total of VT 241,500 outstanding imprest to reitre.

Table 5: Outstanding Imprests as of end of the first half of 2017.

Department Section	Amount Advanced	Amount Paid	Amount Outstanding
PSO	241,500	0	241,500
TOTAL	241,500	0	241,500

Source: Department of Finance & Treasury