

STATE LAW OFFICE

INTRODUCTION AND KEY FINDINGS

The State Law Office (SLO) is established by the State Law Office Act No. 14 of 1998 and is the program under which all legal advice, litigation and drafting work on behalf of the Government is undertaken. The State Law Office provides legal services to the Head of State, Parliament, the Government (Council of Ministers, Ministers, Ministries and Departments), the Local Government Councils, Statutory Bodies, various Commissions, Boards, and Government Committees.

The Office is not allowed under the State Law Office Act to provide legal advice to any private individual, including public servants nor the private sectors.

OBJECTIVES

- To provide legal advice to Government
- To represent government before the Court as little as possible by resolving disputes
- To provide high quality legislative drafting services to government
- To have contented and well-qualified staff
- To have adequate financial and physical resources
- To combat money laundering, financing of terrorism and other financial/economic crime

SUMMARY OF KEY FINDINGS

Area	Finding
Budget Management and Planning	State Law Office (SLO) has an allocated 2017 annual budget of VT 169,203,665. SLO had already spent 37.3 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	<p>The Office Administration Section (Cost center 11AA) half year budget was overspent by 3.5 percent of its half year budget or by VT 1.7 million. The Section had already spent 34.2 percent of its annual budget and with that current rate of spending, it is most likely that the Section will underspend its budget by the end of the year.</p> <p>The Financial Intelligence Unit (Cost center 11AB) half year budget was overspent by 38.5 percent of its half year budget or by VT 3.9 million. The Unit had already spent 53.7 percent of the annual budget and at that current rate of spending, it is most likely that it will run out of funds before the end of the year.</p>
Payroll Budget Management and Planning	<p>The half year budget for payroll for 2017 was VT52,118,611 and the total expenditure was VT 55,145,016. SLO had overspent on its payroll budget by 5.8 percent or VT 3 million in the first half of the year.</p> <p>The operation budget for the first half of the year for 2017 was VT 5,354,529 and the total expenditure was VT 7,944,774. The SLO had overspent on its operation budget by 48.4 percent or VT 2.6 million in the</p>

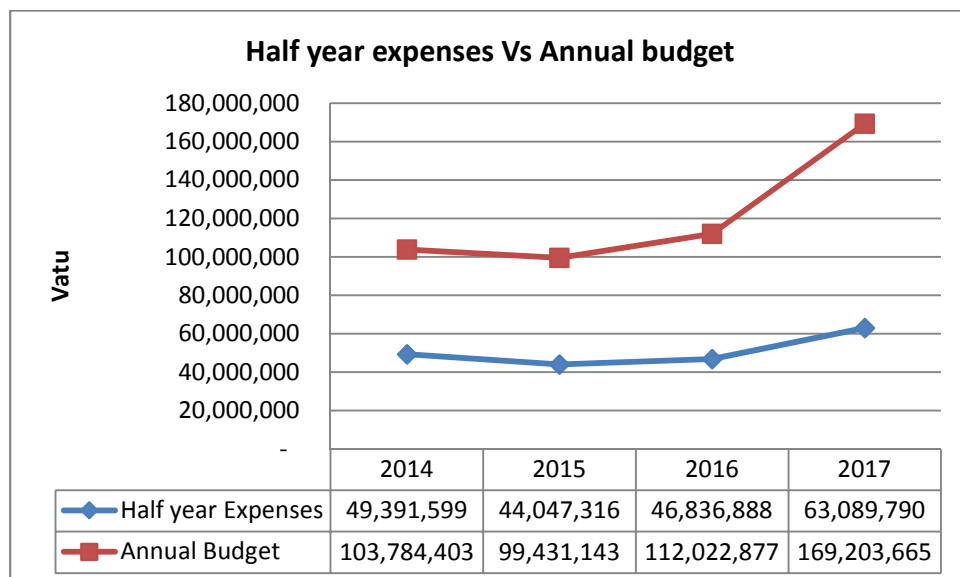
Operation Budget Management and Planning	first half of the year. The NPP funds were stored in period 12 and then advanced to the first half of the year to be expended thus causing the overspent.
Detailed Charts of Accounts In Payroll Expenditure Management and Planning	Total expenses of unbudgeted items for the first half of 2017 was VT 14.5 million. This is about VT 12.1 million more than the first half of 2016. Major expense was from permanent wages VT 12.5 million, other allowanes VT 1.1 million. One of the contributing factor of the overspent was the funds for the GRT NPP was not spread out to cater for the GRT increased wages.
Detailed Chart of Accounts in Operation Expenditure Management and Planning	<p>Total expenses of unbudgeted items for the first half of 2017 was VT 4.4 million. This is a about 2.2 million more than 2016 in the same period. Major expenses are from subistence allowances VT 1.3 million, international travel VT 857,691, other fees VT 731,596, international accomodation VT 478,585, maintenance contract VT 376,965, computer VT 254,925 and official entertainment VT 109,275.</p> <p>Advancing funds form the future periods and expending in the first half of the year contributed to the overspent.</p>
Current Revenue Planning and Management	The SLO collected VT 1,414,681 revenue in first half of 2017 and this is over 46 percent of the revenue target for the first half of the year.
Outstanding Revenues	SLO has a total of VT 532,830 outstanding revenue at the end of the first half of the year.
Asset Management	The SLO does not check its assets status before prepraring budgets, SLO had budget for VT651,94 but had spent VT 948,602 which is 46 prcent more of the asset budget for the first half of the year
Virements	There was no virement processed in the first half of 2017, 2016 or 2015.
Imprest Management	At the end of the first six months of 2017, SLO had a total of VT 30,000 outstanding imprest to reitre.

1. BUDGET PERFORMANCE

1.1 Overall Budget Management and Planning

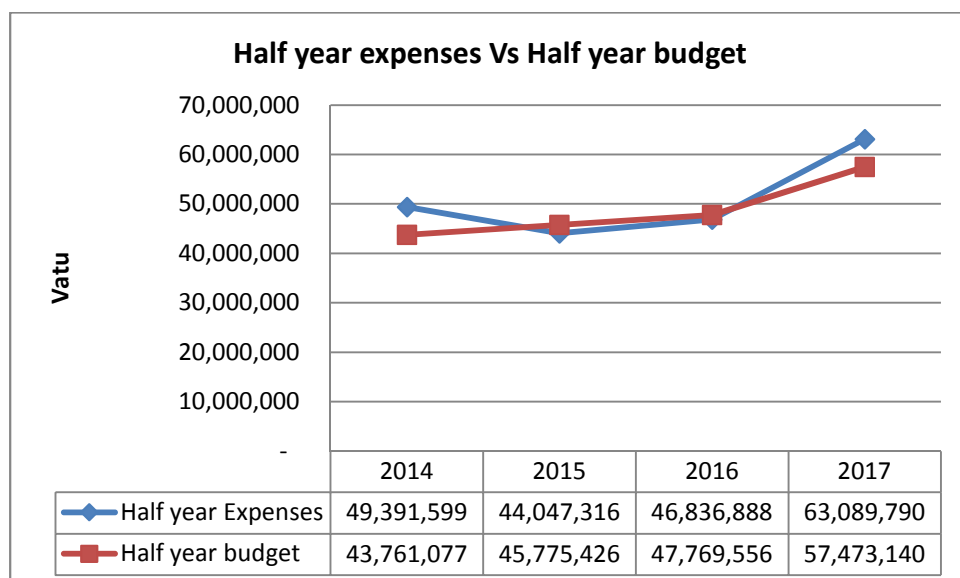
State Law Office (SLO) has an allocated 2017 annual budget of VT 169,203,665. SLO had already spent 37.3 percent of the annual budget and with that current rate of spending it is most likely that it will underspent its budget at the end of the year.

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, SLO spent 41.8 percent, 44.3 percent in 2015 and 47.6 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 SLO had spent 109.8 percent of its half year budget in the first half of the year compared to 98 percent in 2016 and 96.2 percent in 2015 and 112.9 percent in 2014.

1.2 Activity and Cost center management and planing

The Office Administration Section (Cost center 11AA) half year budget was overspent by 3.5 percent of its half year budget or by VT 1.7 million. The Section had already spent 34.2 percent of its annual budget and with that current rate of spending, it is most likely that the Section will underspend its budget by the end of the year.

The Financial Intelligence Unit (Cost center 11AB) half year budget was overspent by 38.5 percent of its half year budget or by VT 3.9 million. The Unit had already spent 53.7 percent of its annual budget and at that current rate of spending, it is most likely that it will run out of funds before the end of the year.

Table1: Cost centers budget and expenditures

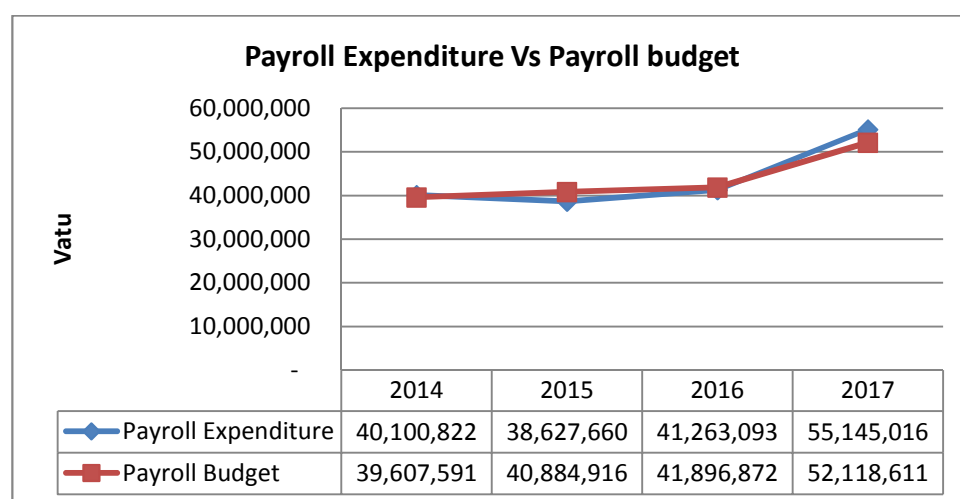
Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
11AA	Office Administration					
	Personnel Expenses	45,912,274	-	45,912,274	43,232,350	(2,679,924)
	Operating Expenses	2,451,109	528,250	2,979,359	3,991,809	1,012,450
11AA	Office Administration	48,363,383	528,250	48,891,633	47,224,159	(1,667,474)
11AB	Financial Intelligence Unit					
	Personnel Expenses	9,232,742	-	9,232,742	8,886,261	(346,481)
	Operating Expenses	4,720,540	244,875	4,965,415	1,362,720	(3,602,695)
11AB	Financial Intelligence Unit	13,953,282	244,875	14,198,157	10,248,981	(3,949,176)
	Total Expenditure	62,316,665	773,125	63,089,790	57,473,140	(5,616,650)

Source: Department of Finance & Treasury

1.3. Payroll Budget Management and Planning

The half year budget for payroll for 2017 was VT52,118,611 and the total expenditure was VT 55,145,016. SLO had overspent on its payroll budget by 5.8 percent or VT 3 million in the first half of the year.

Figure 4: Payroll Expenditure Vs Payroll Budget



The above graph shows payroll expenditure versus payroll budget for the first half of 2017 and in 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 overspend 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	61,528	-	49,223	-	764,037	-	628,883	325,001	194%
8AAB	Responsibility Allowance			23,920	-	1,202,791	-	4,829	-	
8AAF	Family Allowance	438,341	456,183	461,433	490,113	653,065	643,243	-	550,875	0%
8AAH	Housing Allowances	4,169,476	4,467,613	4,374,928	4,467,576	4,160,955	4,562,177	-	5,190,065	0%
8AAO	Other Allowances			5,000	-	542,291	111,265	1,130,000	-	
8AAP	Home Island Passage Allowances	236,986	228,559	184,223	268,620	282,961	284,187	-	313,502	0%
8AAS	Special Allowances			-	221,493	-	162,256			
8ASP	Provident Fund	1,229,904	1,291,815	1,299,218	1,278,642	1,400,654	1,425,019	2,077,508	1,589,550	131%
8AWL	Leave expense	130,000	-	310,330	-	-	-			
8AWD	Daily Rated Wages							-	107,750	0%
8AWO	Overtime Wages			-	47,127					
8AWP	Permanent Wages	33,834,587	31,839,121	31,919,385	31,207,325	32,256,339	34,708,725	51,303,796	38,755,112	132%
PAYR	Payroll expenses	-	1,324,300	-	2,904,020	-	-	-	5,286,756	0%
	Personnel Expenses	40,100,822	39,607,591	38,627,660	40,884,916	41,263,093	41,896,872	55,145,016	52,118,611	106%

Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 14.5 million. This is about VT 12.1 million more than the first half of 2016. Major expense was from permanent wages VT 12.5 million, other allowances VT 1.1 million. One of the contributing factor of the overspent was the funds for the GRT NPP was not spread out to cater for the GRT increased wages.

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

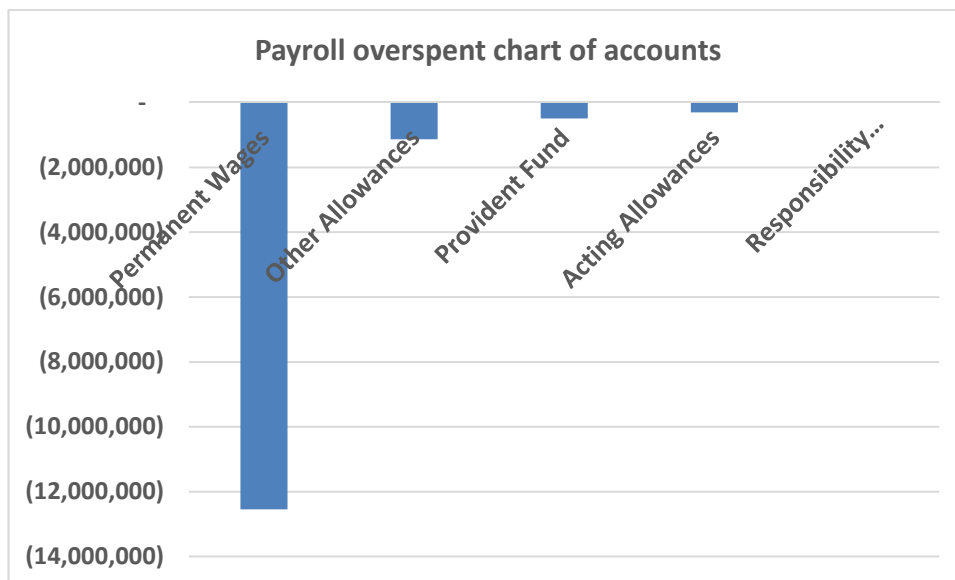
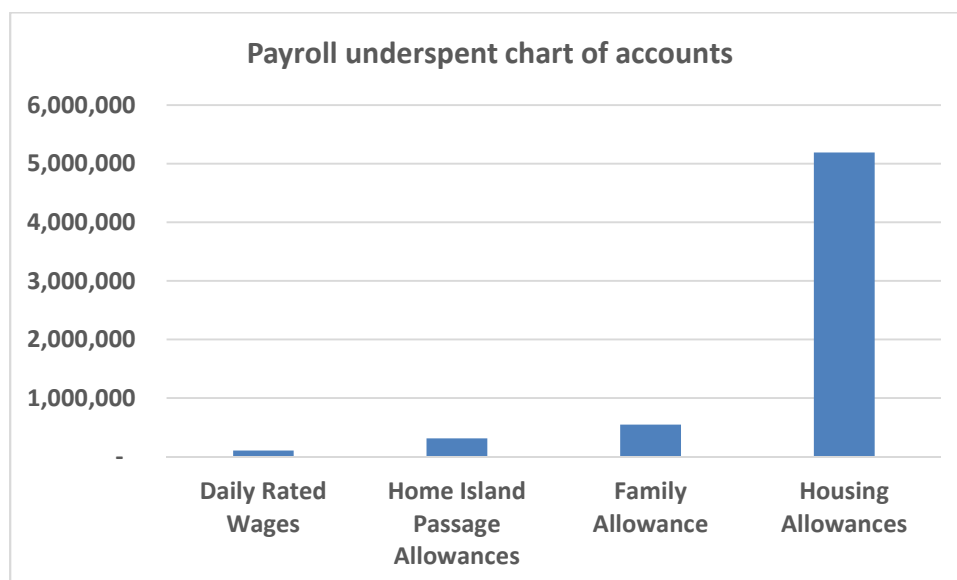


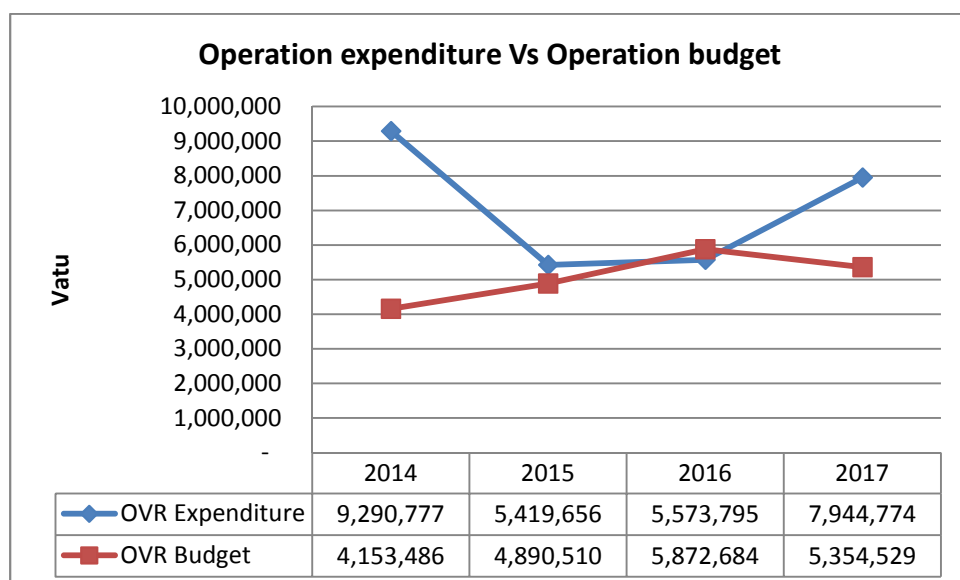
Figure 6: Payroll 2017 first half of the year underspent chart of accounts



1.5. Operation Budget Management and Planning

The operation budget for the first half of the year for 2017 was VT 5,354,529 and the total expenditure was VT 7,944,774. The SLO had overspent on its operation budget by 48.4 percent or VT 2.6 million in the first half of the year. The NPP funds were stored in period 12 and then advanced to the first half of the year to be expended thus causing the overspent.

Figure 4: 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	OVR Expenditure as % of OVR budget
	Operating Expenses									
8CAB	Subsistence Allowances	70,000	75,006	-	99,998	375,000	240,000	1,445,000	124,998	1156%
8CBI	International Accommodation	(45,000)	145,500	(20,000)	150,002			553,585	75,000	738%
8CBL	Local Accommodation	100,000	48,498	-	49,998	-	199,998	30,000	150,000	20%
8CEM	Software Maintenance Fees							-	-	
8CET	Other Fees	160,000	-	-	85,002	(109,106)	49,998	736,594	4,998	14738%
8CFV	Vehicles Fuel	629,887	455,898	738,397	495,996	479,112	489,996	510,225	460,002	111%
8CGM	Mail Carriage Freight	-	19,398	-	19,998	-	15,000	-	12,504	0%
8CGO	Other Charges - Freight			-	10,002					
8CGR	Transport - Freight	5,067	-	-	10,002	-	4,998	-	7,500	0%
8CHL	Local Medical Treatment					-	75,000	-	49,998	0%
8CIE	Equipment Hire			2,800	-	-	10,002	4,444	10,002	44%

8CIF	Facilities Hire	17,778	-	-	15,000	140,444	25,002	13,500	25,002	54%
8CIV	Vehicles Hire			117,191	-	10,000	-			
8CJO	Office Cleaning	159,693	101,850	95,951	105,000	198,404	110,004	76,057	110,004	69%
8CKD	Advertising - Communications	177,956	71,780	54,755	50,000	51,431	25,002	48,155	65,002	74%
8CKP	Postage - Communications	2,114	36,378	16,844	15,000	6,000	15,000	6,000	15,000	40%
8CKR	Printing - Communications	187,328	63,048	118,384	115,002	160,811	115,002	109,071	112,500	97%
8CKS	Stationery - Communications	498,258	310,400	176,875	424,998	473,400	490,002	239,354	340,002	70%
8CKT	Telephone / Fax - Communications	169,375	126,102	88,888	199,998	115,555	174,996	146,667	200,004	73%
8COF	Refunds	20,000	-							
8CMG	General - Materials					139,549	-			
8COI	Incidentals	330,334	184,284	233,912	333,660	43,733	634,980	191,324	834,978	23%
8COP	Official Entertainment	80,168	48,498	-	54,996	202,738	54,996	164,271	54,996	299%
8COT	Termination Payment	5,507,416	-	302,627	-					
8CRB	Buildings Repairs & Maintenance	6,222	106,700	31,441	100,002	728,355	100,002	9,147	100,002	9%
8CRE	Equipment Repairs & Maintenance	16,000	145,500	225,212	165,000	86,946	231,306	136,978	139,998	98%
8CRM	Maintenance Contrac	50,000	48,498	-	90,000	-	45,000	421,965	45,000	938%
8CRV	Vehicles Repairs & Maintenance	398,737	218,250	550,569	220,002	177,472	205,002	240,500	180,000	134%
8CTI	International Travel	250,933	48,500	-	100,002	12,050	175,002	957,693	100,002	958%
8CTL	Local Travel	55,431	48,498	-	49,998	-	199,998	185,991	100,002	186%
8CUE	Electricity Utilities	47,788	945,744	743,338	769,998	229,402	600,000	205,918	589,998	35%
8CUW	Water Utilities	9,702	14,550	24,378	9,000	-	10,000	-	10,000	0%
8CWL	Local Workshops							8,889	-	
8CZV	Value Added Tax	385,590	492,906	569,117	531,858	575,141	955,152	549,844	778,590	71%
8EEA	Equipment - Additional General	-	48,500	-	49,998	184,179	34,998	19,733	34,998	56%
8EEC	Equipment - Computer	-	310,400	1,050,311	470,000	416,445	325,000	696,870	441,945	158%
8EER	Equipment - Replacement General			123,556	-			61,333	-	
8EEP	Equipment - Photocopiers					101,333	50,000	-	49,998	0%
8EFO	Furniture - Office Furniture	-	38,800	175,110	100,000	318,257	210,000	170,666	125,002	137%
8EVR	Vehicle - Replacement					444,444	-			
8FCB	Bank Charges					12,700	1,248	5,000	6,504	77%
OVER	Overhead expenses	-	-	-	-	-	-	-	-	
	Operating Expenses	9,290,777	4,153,486	5,419,656	4,890,510	5,573,795	5,872,684	7,944,774	5,354,529	148%

Source: Department of Finance & Treasury

Unbudgeted Items

Total expenses of unbudgeted items for the first half of 2017 was VT 4.4 million. This is a about 2.2 million more than 2016 in the same period. Major expenses are from subsistence allowances VT 1.3 million, international travel VT 857,691, other fees VT 731,596, international accomodation VT 478,585, maintenance contract VT 376,965, computer VT 254,925 and official entertainment VT 109,275.

Overspent on chart of accounts

Most of the chart of accounts that were used were overspent in the first half of 2017, advancing funds from the future periods and expending in the first half of the year contributed to the overspent.

Figure 7: Operation over spent chart of accounts

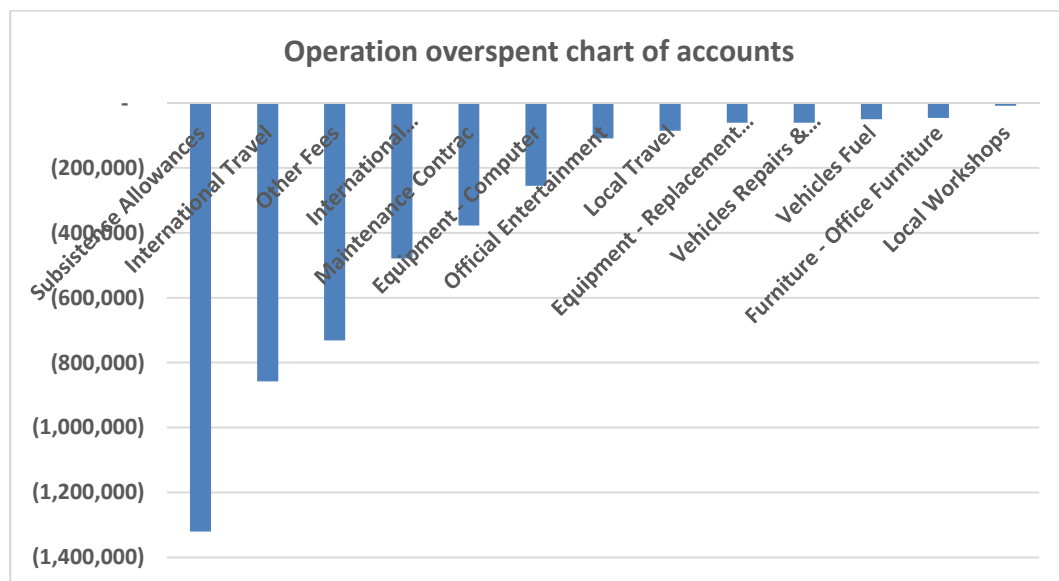
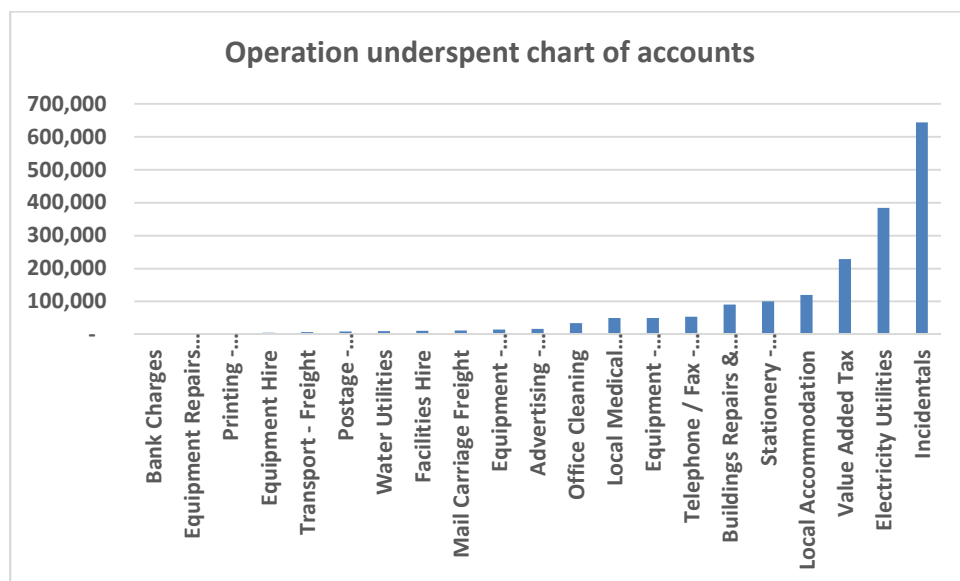


Figure 8: Operation under spent chart of accounts



REVENUE PLANNING AND MANAGEMENT

1. CURRENT REVENUE PLANNING AND MANAGEMENT

The SLO collected VT 1,414,681 revenue in first half of 2017 and this is over 46 percent of the revenue target for the first half of the year.

Table 4: Revenue 2014-2017

Year	Revenue	Budget	Over/(Under)	Cash Received
2017	1,463,950	999,996	463,954	1,414,681
2016	1,639,575	750,000	599,575)	1,510,385
2015	(2,777,896)	599,994	(3,332,630)	894,502
2014	0	0	0	0

Source: Department of Finance & Treasury

2. OUTSTANDING REVENUES

SLO has a total of VT 532,830 outstanding revenue at the end of the first half of the year.

ASSET MANAGEMENT

The SLO does not check its assets status before preparing budgets, SLO had budget for VT651,94 but had spent VT 948,602 which is 46 prcent more of the asset budget for the first half of the year

VIREMENT

There was no virement processed in the first half of 2017, 2016 or 2015.

IMPREST MANAGEMENT

At the end of the first six months of 2017, SLO had a total of VT 30,000 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
SLO	30,000	0	30,000
TOTAL	30,000	0	30,000

Source: Department of Finance & Treasury