

## STATE LAW OFFICE

### INTRODUCTION

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

The State Law Office (SLO) has one program activity and two active cost centers.

Analysis shows that the SLO had already spent 22.95 percent of its annual budget in the first quarter of the year, and at that current rate of spending, it is estimated that the OPP is most likely to underspend its allocated annual budget by 8.19 percent by the end of the year.

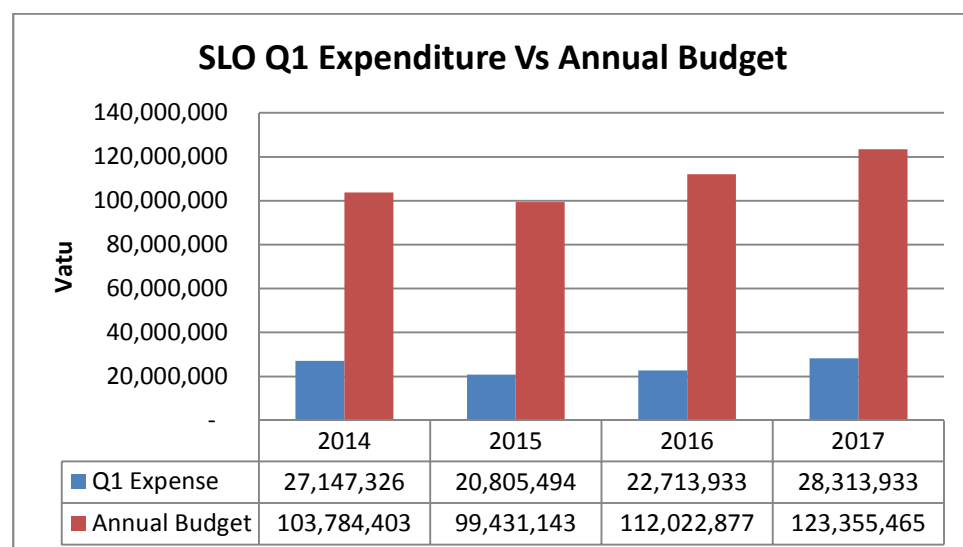


Figure 1: SLO expenditure Q1 versus the annual budget.

Figure 1 shows the SLO expenditure trend of quarter 1 (Q1) of 2017 against the annual budget and for the same period in the last three years. Percentage of expenditure in the first quarter ranges from 20.28 to 26.16 percent over the years.

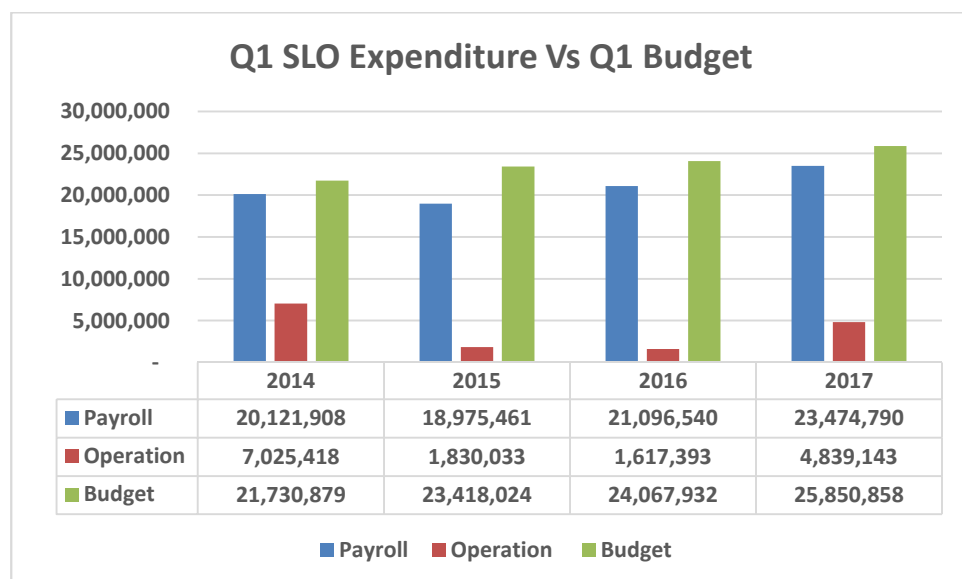


Figure 2: SLO Q1 expenditures versus Q1 budget

Figure 2 shows the SLO Q1 expenses against quarter 1 budget for 2017 and for the same period in the last three years. The SLO had overspend its Q1 budget by 9.53 percent. For the last three years in the same quarter, percentage of spending ranges from 88.84 to 124.93 percent.

The SLO had allocated 88.05 percent of its annual budget to payroll and 11.95 percent was allocated to operation.

Analysis shows that the SLO had spent 21.61 percent of its payroll annual budget and with that current rate of spending, it is estimated that the SLO will most likely to spend within its payroll annual budget and will accumulate savings of 7.01 percent of its payroll annual budget by the end of the year.

The SLO had spent 32.83 percent of its operation annual budget in the first quarter of 2017 and with that current rate of spending it is estimated that it will overspent its operation annual budget by 31.32 percent by the end of the year.

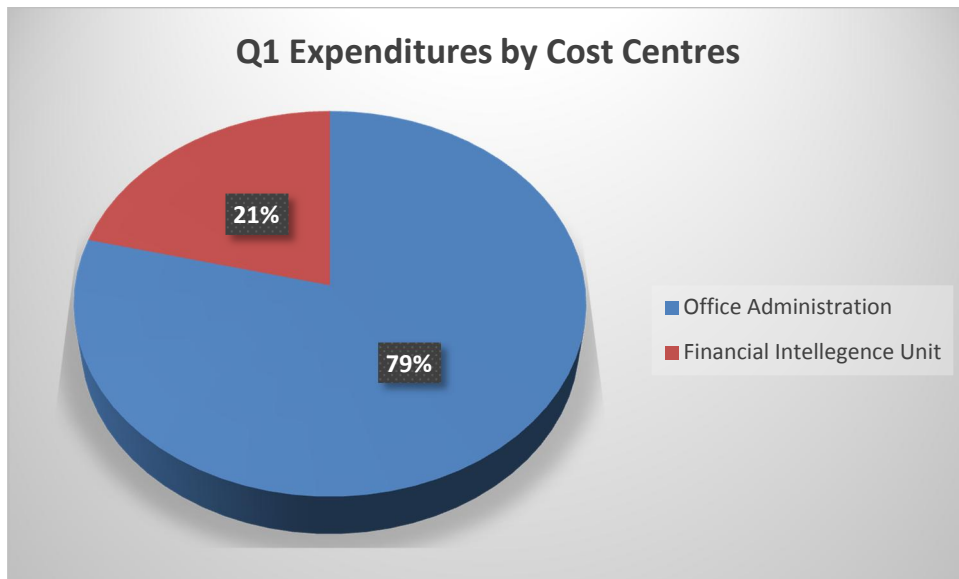


Figure 3. Expenditures by cost centres on the total spending in Quarter 1 by the SLO

Figure 3 shows the percentage of expenditures by cost centres of the SLO total spending at the end of Q1. High percentage of expenses are from the Administration Section (11AA) because it has over 80 percent of the SLO's budget allocation.

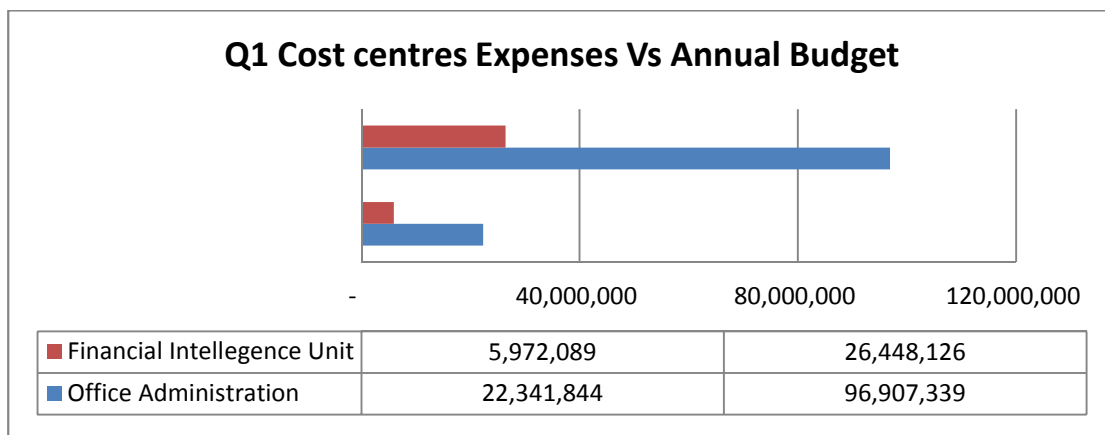


Figure 4: Q1 Cost centres expenses Vs Cost centres annual budget

Figure 4 shows that:

- The Office Administration (11AA) had already spent 23.05 percent of its annual budget in Q1 and with that current rate of spending it is most likely that its allocated budget will be underspent by 7.78 percent by the end of the year.
- The Financial Intelligence Unit (11AB) had already spent 22.58 percent of its annual budget in Q1 and with that current rate of spending it is most likely that it will underspend its allocated budget by 9.68 percent by the end of the year.

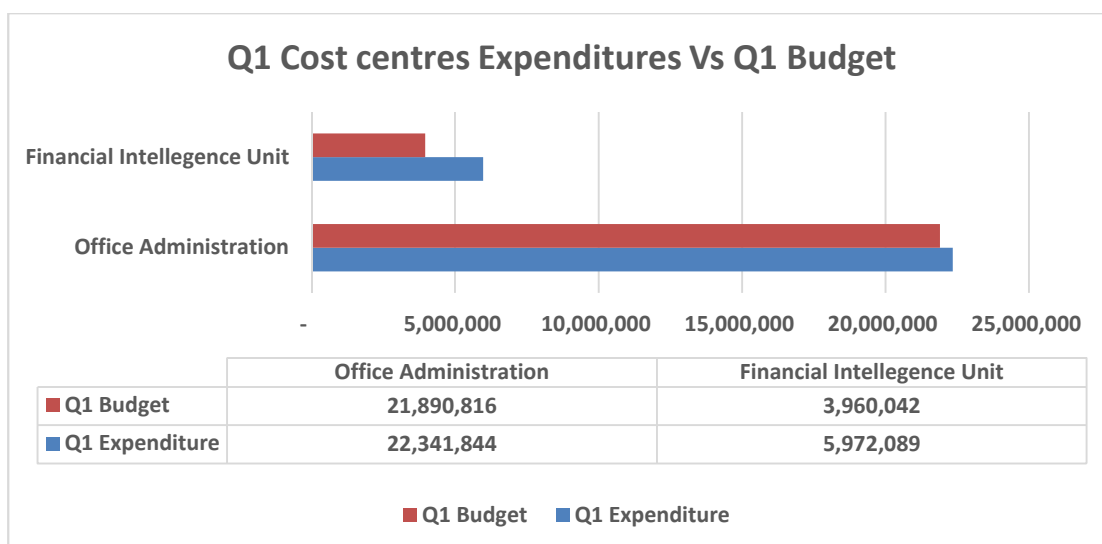


Figure 5: Q1 Cost centres expenditures Vs Cost centres Q1 Budget

Figure 5 shows that both cost centres had overspend their budget except for the Corporate Service Section. This is due to funds being advanced from future periods and expended in Q1.

Cost Centre	Payroll Expenditure	Payroll Budget	% of budget spent
Office Administration	20,346,780	19,657,689	104%
Financial Intelligence Unit	3,128,010	3,278,682	95%

Table 1: Table showing percentage of payroll budget spent in Q1

Table 1 shows the percentage of funds spend from the payroll budget of each cost centre within the SLO.

Cost Centre	Operation Expenditure	Operation Budget	% of budget spent
Office Administration	1,995,064	2,233,127	89%
Financial Intelligence Unit	2,844,079	681,360	417%

Table 2: Table showing percentage of operation budget spent in Q1

Table 2 shows the percentage of funds spend from the operation budget of each cost centre within the OPP

Percentage of funds spend that is over 100% indicates that funds had been advanced or vired from future periods and spend in Q1 period.

## MAJOR EXPENDITURE ITEMS

The OPP's major expenditure item over one million vatu in the payroll expenses was permanent wages.

The OPP's major expenditure items over VT 500,000 in operation was subsistence allowances, other fees and equipment- computer.

## UNBUDGETED SPENDING

The SLO's unbudgeted spending in the payroll includes the following chart of accounts: acting allowances (8AAA), other allowances (8AAO), provident fund (8ASP) and permanent wages (8AWP).

The total unbudgeted spending for Q1 was VT 4,704,195. The factor contributing to this high overspent was unbudgeted salary increases after what the GRT had determined. The only way to correct this high deficit that will be accumulating each payroll is to inject new funds into the payroll budget.

The SLO's unbudgeted spending in the operation includes most of the chart of accounts  
The total unbudgeted spending is VT 3,002,449.

## VIREMENT

There was no virement processed in the first quarter of 2017.

## REVENUE

Account	Description	Revenue	Budget	Over/(Under)	Cash Received
	<b>Revenue</b>				
7NOC	Court Costs Recoveries	5,000	124,998	(119,998)	5,000
7NTP	Publications Revenue	776,580	375,000	401,580	778,079
	<b>Revenue</b>	<b>781,580</b>	<b>499,998</b>	<b>281,582</b>	<b>783,079</b>
	<b>Total Revenue and Receipts</b>	<b>781,580</b>	<b>499,998</b>	<b>281,582</b>	<b>783,079</b>

Table 3: Table showing revenue collected against budget.

SLO collects more than its target in Q1 and with the current rate of revenue collection it should be able to meet its revenue target or collect more than its revenue target.

## ACCOUNTABLE IMPREST

DEPT/OFFICER	Amount Advanced	Amount Paid	Amount outstanding
SLO	620,000	0	620,000

Table 4: Q1 Outstanding Imprest

SLO had an outstanding imprest of VT 620,000 by the end of Q1.

## TABLES

**Table 4: SLO Q1 Expenditure by Chart of Accounts**

Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
	<b>Personnel Expenses</b>					
8AAA	Acting Allowances	220,437	-	220,437	150,000	(70,437)
8AAF	Family Allowance	-	-	-	254,250	254,250
8AAH	Housing Allowances	-	-	-	2,395,413	2,395,413
8AAO	Other Allowances	105,000	-	105,000	-	(105,000)
8AAP	Home Island Passage Allowances	-	-	-	144,693	144,693
8ASP	Provident Fund	898,839	-	898,839	733,638	(165,201)
8AWD	Daily Rated Wages	-	-	-	49,731	49,731
8AWP	Permanent Wages	22,250,514	-	22,250,514	17,886,957	(4,363,557)
PAYR	Payroll expenses	-	-	-	1,321,689	1,321,689
	<b>Personnel Expenses</b>	<b>23,474,790</b>	<b>-</b>	<b>23,474,790</b>	<b>22,936,371</b>	<b>(538,419)</b>
	<b>Operating Expenses</b>					
8CAB	Subsistence Allowances	675,000	130,000	805,000	62,499	(742,501)
8CBI	International Accommodation	417,790	-	417,790	37,500	(380,290)
8CBL	Local Accommodation	-	-	-	75,000	75,000
8CEM	Software Maintenance Fees	-	-	-	-	-
8CET	Other Fees	736,594	-	736,594	2,499	(734,095)
8CFV	Vehicles Fuel	225,779	60,444	286,223	230,001	(56,222)
8CGM	Mail Carriage Freight	-	-	-	6,252	6,252
8CGR	Transport - Freight	-	-	-	3,750	3,750
8CHL	Local Medical Treatment	-	-	-	24,999	24,999
8CIE	Equipment Hire	-	-	-	5,001	5,001
8CIF	Facilities Hire	-	-	-	12,501	12,501
8CJO	Office Cleaning	68,489	-	68,489	55,002	(13,487)
8CKD	Advertising - Communications	23,613	23,614	47,227	52,501	5,274
8CKP	Postage - Communications	-	6,000	6,000	7,500	1,500
8CKR	Printing - Communications	15,497	17,778	33,275	56,250	22,975
8CKS	Stationery - Communications	57,599	39,983	97,582	170,001	72,419
8CKT	Telephone / Fax - Communications	82,667	1,778	84,445	100,002	15,557
8COI	Incidentals	92,178	22,257	114,435	417,489	303,054
8COP	Official Entertainment	-	-	-	27,498	27,498
8CRB	Buildings Repairs & Maintenance	(201,342)	210,489	9,147	50,001	40,854
8CRE	Equipment Repairs & Maintenance	3,778	133,200	136,978	69,999	(66,979)

8CRM	Maintenance Contract	421,965	-	421,965	22,500	(399,465)
8CRV	Vehicles Repairs & Maintenance	11,657	103,893	115,550	90,000	(25,550)
8CTI	International Travel	466,311	-	466,311	50,001	(416,310)
8CTL	Local Travel	-	-	-	50,001	50,001
8CUE	Electricity Utilities	(223,003)	223,003	-	294,999	294,999
8CUW	Water Utilities	-	-	-	5,000	5,000
8CZV	Value Added Tax	149,411	154,003	303,414	389,295	85,881
8EEA	Equipment - Additional General	-	19,733	19,733	17,499	(2,234)
8EEC	Equipment - Computer	363,990	176,440	540,430	438,195	(102,235)
8EEP	Equipment - Photocopiers	-	-	-	24,999	24,999
8EER	Equipment - Replacement General	-	61,333	61,333	-	(61,333)
8EFO	Furniture - Office Furniture	(69,849)	132,071	62,222	62,501	279
8FCB	Bank Charges	5,000	-	5,000	3,252	(1,748)
OVER	Overhead expenses	-	-	-	-	-
	<b>Operating Expenses</b>	<b>3,323,124</b>	<b>1,516,019</b>	<b>4,839,143</b>	<b>2,914,487</b>	<b>(1,924,656)</b>
	<b>Total Expenditure</b>	<b>26,797,914</b>	<b>1,516,019</b>	<b>28,313,933</b>	<b>25,850,858</b>	<b>(2,463,075)</b>

Source: Finance & Treasury

**Table 4: SLO Q1 Expenditure by Cost Centre**

Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
<b>11AA</b>	<b>Office Administration</b>					
	<b>Personnel Expenses</b>					
8AAA	Acting Allowances	220,437	-	220,437	126,924	(93,513)
8AAF	Family Allowance	-	-	-	226,557	226,557
8AAH	Housing Allowances	-	-	-	2,118,465	2,118,465
8AAP	Home Island Passage Allowances	-	-	-	123,924	123,924
8ASP	Provident Fund	782,565	-	782,565	656,379	(126,186)
8AWD	Daily Rated Wages	-	-	-	49,731	49,731
8AWP	Permanent Wages	19,343,778	-	19,343,778	16,006,263	(3,337,515)
PAYR	Payroll expenses	-	-	-	349,446	349,446
	<b>Personnel Expenses</b>	<b>20,346,780</b>	<b>-</b>	<b>20,346,780</b>	<b>19,657,689</b>	<b>(689,091)</b>
	<b>Operating Expenses</b>					
8CAB	Subsistence Allowances	(100,000)	100,000	-	37,500	37,500
8CBI	International Accommodation	-	-	-	37,500	37,500
8CBL	Local Accommodation	-	-	-	75,000	75,000
8CET	Other Fees	175,000	-	175,000	2,499	(172,501)
8CFV	Vehicles Fuel	213,335	35,556	248,891	187,500	(61,391)
8CGM	Mail Carriage Freight	-	-	-	5,001	5,001

8CGR	Transport - Freight	-	-	-	3,750	3,750
8CHL	Local Medical Treatment	-	-	-	24,999	24,999
8CIF	Facilities Hire	(26,667)	-	(26,667)	12,501	39,168
8CJO	Office Cleaning	68,489	-	68,489	50,001	(18,488)
8CKD	Advertising - Communications	-	-	-	40,000	40,000
8CKP	Postage - Communications	-	6,000	6,000	5,001	(999)
8CKR	Printing - Communications	5,835	17,778	23,613	50,001	26,388
8CKS	Stationery - Communications	57,599	34,383	91,982	150,000	58,018
8CKT	Telephone / Fax - Communications	53,334	-	53,334	87,501	34,167
8COI	Incidentals	92,178	12,657	104,835	123,702	18,867
8COP	Official Entertainment	-	-	-	24,999	24,999
8CRB	Buildings Repairs & Maintenance	(201,342)	210,489	9,147	50,001	40,854
8CRE	Equipment Repairs & Maintenance	9,778	127,200	136,978	62,499	(74,479)
8CRM	Maintenance Contrac	421,965	-	421,965	22,500	(399,465)
8CRV	Vehicles Repairs & Maintenance	15,213	26,560	41,773	75,000	33,227
8CTI	International Travel	-	-	-	50,001	50,001
8CTL	Local Travel	-	-	-	50,001	50,001
8CUE	Electricity Utilities	(223,003)	223,003	-	249,999	249,999
8CUW	Water Utilities	-	-	-	5,000	5,000
8CZV	Value Added Tax	79,600	106,345	185,945	222,477	36,532
8EEA	Equipment - Aditonal General	-	6,400	6,400	17,499	11,099
8EEC	Equipment - Computer	363,990	19,556	383,546	434,445	50,899
8EEP	Equipment - Photocopiers	-	-	-	24,999	24,999
8EER	Equipment - Replacement General	-	61,333	61,333	-	(61,333)
8EFO	Furniture - Office Furniture	(69,849)	69,849	-	50,000	50,000
8FCB	Bank Charges	2,500	-	2,500	1,251	(1,249)
OVER	Overhead expenses	-	-	-	-	-
	<b>Operating Expenses</b>	<b>937,955</b>	<b>1,057,109</b>	<b>1,995,064</b>	<b>2,233,127</b>	<b>238,063</b>
<b>11AA</b>	<b>Office Administration</b>	<b>21,284,735</b>	<b>1,057,109</b>	<b>22,341,844</b>	<b>21,890,816</b>	<b>(451,028)</b>
<b>11AB</b>	<b>Financial Intelligence Unit</b>					
	<b>Personnel Expenses</b>					
8AAA	Acting Allowances	-	-	-	23,076	23,076
8AAF	Family Allowance	-	-	-	27,693	27,693
8AAH	Housing Allowances	-	-	-	276,948	276,948
8AAO	Other Allowances	105,000	-	105,000	-	(105,000)



8AAP	Home Island Passage Allowances	-	-	-	20,769	20,769
8ASP	Provident Fund	116,274	-	116,274	77,259	(39,015)
8AWP	Permanent Wages	2,906,736	-	2,906,736	1,880,694	(1,026,042)
PAYR	Payroll expenses	-	-	-	972,243	972,243
	<b>Personnel Expenses</b>	<b>3,128,010</b>	<b>-</b>	<b>3,128,010</b>	<b>3,278,682</b>	<b>150,672</b>
	<b>Operating Expenses</b>					
8CAB	Subsistence Allowances	775,000	30,000	805,000	24,999	(780,001)
8CBI	International Accommodation	417,790	-	417,790	-	(417,790)
8CEM	Software Maintenance Fees	-	-	-	-	-
8CET	Other Fees	561,594	-	561,594	-	(561,594)
8CFV	Vehicles Fuel	12,444	24,888	37,332	42,501	5,169
8CGM	Mail Carriage Freight	-	-	-	1,251	1,251
8CIE	Equipment Hire	-	-	-	5,001	5,001
8CIF	Facilities Hire	26,667	-	26,667	-	(26,667)
8CJO	Office Cleaning	-	-	-	5,001	5,001
8CKD	Advertising - Communications	23,613	23,614	47,227	12,501	(34,726)
8CKP	Postage - Communications	-	-	-	2,499	2,499
8CKR	Printing - Communications	9,662	-	9,662	6,249	(3,413)
8CKS	Stationery - Communications	-	5,600	5,600	20,001	14,401
8CKT	Telephone / Fax - Communications	29,333	1,778	31,111	12,501	(18,610)
8COI	Incidentals	-	9,600	9,600	293,787	284,187
8COP	Official Entertainment	-	-	-	2,499	2,499
8CRE	Equipment Repairs & Maintenance	(6,000)	6,000	-	7,500	7,500
8CRV	Vehicles Repairs & Maintenance	(3,556)	77,333	73,777	15,000	(58,777)
8CTI	International Travel	466,311	-	466,311	-	(466,311)
8CUE	Electricity Utilities	-	-	-	45,000	45,000
8CZV	Value Added Tax	69,811	47,658	117,469	166,818	49,349
8EEA	Equipment - Additional General	-	13,333	13,333	-	(13,333)
8EEC	Equipment - Computer	-	156,884	156,884	3,750	(153,134)
8EFO	Furniture - Office Furniture	-	62,222	62,222	12,501	(49,721)
8FCB	Bank Charges	2,500	-	2,500	2,001	(499)
OVER	Overhead expenses	-	-	-	-	-
	<b>Operating Expenses</b>	<b>2,385,169</b>	<b>458,910</b>	<b>2,844,079</b>	<b>681,360</b>	<b>(2,162,719)</b>
<b>11AB</b>	<b>Financial Intelligence Unit</b>	<b>5,513,179</b>	<b>458,910</b>	<b>5,972,089</b>	<b>3,960,042</b>	<b>(2,012,047)</b>
	<b>Total Expenditure</b>	<b>26,797,914</b>	<b>1,516,019</b>	<b>28,313,933</b>	<b>25,850,858</b>	<b>(2,463,075)</b>

Source: Finance & Treasury

