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## OFFICE OF THE PRESIDENT

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### INTRODUCTION

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The President of Vanuatu is the Head of State of Vanuatu, who symbolizes the unity and peace of the nation. The president is elected for a five year term by an Electoral College comprising of members of parliament and presidents of the six provincial councils. His or her role is mostly ceremonial, nonetheless one function reserved for His Excellency, under the constitution is the appointment of the Chief Justice to the Supreme Court and three other justices. The president also possess the power of pardon, commutation and reduction of sentences imposed on persons convicted of an offence. In situations where the position of the president becomes vacant, the Speaker of Parliament will perform presidential duties until a new head of state can be elected or resume office from official overseas trips. The Office of President provides support to the President and enables him to carry out this important role. The budget for the Office of the President is around VT 40 million a year and the budget for 2018 is the same as the budget for 2017 therefore around VT42million rollovers and establishes a ceiling.

### SUMMARY OF KEY FINDINGS

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#### Expenditure Trends

With 25% of the year elapsed the President's Office has spent 37% of their budget. This is unlike the previous three years where first quarter expenditures falls within the 25% of the overall budget allocation. If this trend continues the Office is expected to over spend its budget. However, at the late of January funds had to be expended for His Excellency travels to Nauru and then later in late February funds are committed to another head of state domestic travel to Ambrym Island. Therefore this activity has contributed largely in the high spending in the first quarter.

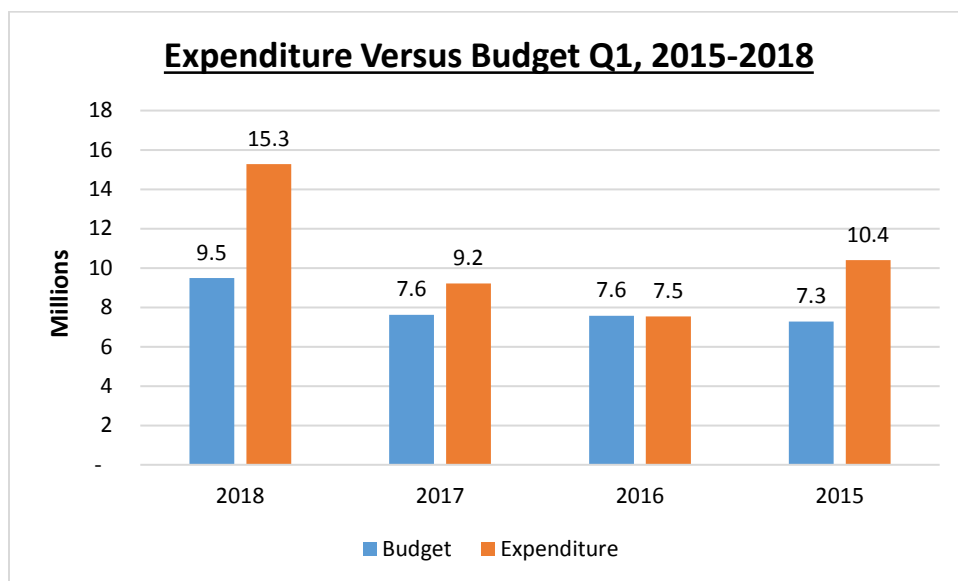


Figure 1: Expenditure versus Budget Q1 2015-2018

There is a rather significant split between how much of payroll has been spent compared to operations. Payroll has spent 28% of its budget while operations has spent 56% of its allocated budget as shown on *Table 1*. Payroll accounts have been spent slightly more than its Q1 budget and it is expected to come in under budget this year. Special Allowances in particular have not been budgeted for but have generated an expenditure of VT110, 000. Further, there are two main areas under operations that have significantly exceeded their budget. Incidentals expended 983% of its budget with a value of VT1.96million and Subsistence allowances has spent 231% of its budget. Better budgeting by revising allocations of funds to these chart of accounts should be considered. However, the Office should be endeavouring to keep these costs under control.

### **Revenue trends**

The office of the President does not collect revenue.

### **Virements**

The office of the President had no Virement in this quarter of the year and this has shown better budgeting and cash flow plans which results in proper management warrants releases both on payroll and operational accounts.

## TABLES

*Table 1: Expenditure by Chart of Account*

| Account | Description                      | Total            | Budget           | Under/(Over)   | Total Budget      | % of Budget Spent |
|---------|----------------------------------|------------------|------------------|----------------|-------------------|-------------------|
|         | <b>Personnel Expenses</b>        |                  |                  |                |                   |                   |
| 8AAA    | Acting Allowances                | -                | 23,076           | 23,076         | 100,000           | 0%                |
| 8AAF    | Family Allowance                 | -                | 127,383          | 127,383        | 552,000           | 0%                |
| 8AAG    | Gratuitie Allowances             | -                | -                | -              | 2,157,960         | 0%                |
| 8AAH    | Housing Allowances               | -                | 1,189,911        | 1,189,911      | 5,156,280         | 0%                |
| 8AAO    | Other Allowances                 | -                | 110,769          | 110,769        | 480,000           | 0%                |
| 8AAP    | Home Island Passage Allowances   | 63,863           | 281,538          | 217,675        | 1,220,000         | 5%                |
| 8AAS    | Special Allowances               | 110,400          | -                | (110,400)      | -                 | -                 |
| 8ASP    | Provident Fund                   | 249,958          | 172,770          | (77,188)       | 748,669           | 33%               |
| 8AWO    | Overtime Wages                   | 60,000           | 175,383          | 115,383        | 760,000           | 8%                |
| 8AWP    | Permanent Wages                  | 7,225,494        | 3,882,624        | (3,342,870)    | 16,824,720        | 43%               |
| PAYR    | Payroll expenses                 | -                | 2,009,893        | 2,009,893      | -                 | -                 |
|         | <b>Personnel Expenses</b>        | <b>7,709,715</b> | <b>7,973,347</b> | <b>263,632</b> | <b>27,999,629</b> | <b>28%</b>        |
|         | <b>Operating Expenses</b>        |                  |                  |                |                   |                   |
| 8CAB    | Subsistence Allowances           | 1,615,000        | -                | (1,615,000)    | 700,000           | 231%              |
| 8CBI    | International Accommodation      | -                | -                | -              | 800,000           | 0%                |
| 8CBL    | Local Accommodation              | -                | -                | -              | 500,000           | 0%                |
| 8CFV    | Vehicles Fuel                    | 856,272          | 412,248          | (444,024)      | 1,649,000         | 52%               |
| 8CHI    | International Medical Treatment  | -                | -                | -              | 1,000,000         | 0%                |
| 8CHL    | Local Medical Treatment          | 26,866           | -                | (26,866)       | 200,000           | 13%               |
| 8CIE    | Equipment Hire                   | -                | -                | -              | -                 | -                 |
| 8CJO    | Office Cleaning                  | 199,770          | 75,000           | (124,770)      | 300,000           | 67%               |
| 8CKD    | Advertising - Communications     | -                | 7,500            | 7,500          | 30,000            | 0%                |
| 8CKP    | Postage - Communications         | 570              | 2,499            | 1,929          | 10,000            | 6%                |
| 8CKR    | Printing - Communications        | 1,335            | 50,001           | 48,666         | 200,000           | 1%                |
| 8CKS    | Stationery - Communications      | 9,526            | 50,001           | 40,475         | 200,000           | 5%                |
| 8CKT    | Telephone / Fax - Communications | 149,053          | 150,000          | 947            | 600,000           | 25%               |
| 8CMG    | General - Materials              | 43,372           | -                | (43,372)       | -                 | -                 |
| 8COI    | Incidentals                      | 1,965,608        | 50,001           | (1,915,607)    | 200,000           | 983%              |
| 8COP    | Official Entertainment           | 196,656          | 78,990           | (117,666)      | 315,958           | 62%               |
| 8COU    | Uniforms                         | -                | -                | -              | 250,000           | 0%                |

|      |                                 |                   |                  |                    |                   |            |
|------|---------------------------------|-------------------|------------------|--------------------|-------------------|------------|
| 8CRB | Buildings Repairs & Maintenance | 61,636            | -                | (61,636)           | 100,000           | 62%        |
| 8CRE | Equipment Repairs & Maintenance | 87,978            | -                | (87,978)           | -                 | -          |
| 8CRH | Houses Repairs & Maintenance    | 82,000            | -                | (82,000)           | -                 | -          |
| 8CRV | Vehicles Repairs & Maintenance  | 23,533            | -                | (23,533)           | 266,375           | 9%         |
| 8CTI | International Travel            | 433,330           | -                | (433,330)          | 970,000           | 45%        |
| 8CTL | Local Travel                    | 1,387,134         | -                | (1,387,134)        | 2,776,000         | 50%        |
| 8CUC | Gas - Cooking Utilities         | 33,157            | 24,999           | (8,158)            | 100,000           | 33%        |
| 8CUE | Electricity Utilities           | -                 | 225,000          | 225,000            | 900,000           | 0%         |
| 8CUL | Lighting Utilities              | -                 | 22,500           | 22,500             | 90,000            | 0%         |
| 8CUW | Water Utilities                 | -                 | 125,000          | 125,000            | 500,000           | 0%         |
| 8CZV | Value Added Tax                 | 397,223           | 168,858          | (228,365)          | 675,440           | 59%        |
| 8EEC | Equipment - Computer            | -                 | 50,000           | 50,000             | 200,000           | 0%         |
| 8EEP | Equipment - Photocopiers        | -                 | 21,000           | 21,000             | 84,000            | 0%         |
| 8EVR | Vehicle - Replacement           | -                 | -                | -                  | -                 | -          |
| OVER | Overhead expenses               | -                 | -                | -                  | -                 | -          |
|      | <b>Operating Expenses</b>       | <b>7,570,019</b>  | <b>1,513,597</b> | <b>(6,056,422)</b> | <b>13,616,773</b> | <b>56%</b> |
|      | <b>Total Expenditure</b>        | <b>15,279,734</b> | <b>9,486,944</b> | <b>(5,792,790)</b> | <b>41,616,402</b> | <b>37%</b> |

Source: Smart –Stream Vision Report

*Table 3: Expenditure by Cost Centre*

| Code        | Description  | Budget to date   | Total Expenditure | Under/ (Over)      | Total Budget to Date | Percentage of Total Spent |
|-------------|--|------------------|-------------------|--------------------|----------------------|---------------------------|
| <b>Q1</b>   |  |                  |                   |                    |                      |                           |
| <b>M01</b>  | <b>Constitutional Agencies</b>                     |                  |                   |                    |                      |                           |
| <b>CAA</b>  | <b>Presidential Support</b>                        |                  |                   |                    |                      |                           |
|             |  |                  |                   |                    |                      |                           |
| 01AA        | Office Administration                              | 9,486,944        | 15,279,734        | (5,792,790)        | 41,616,402           | 37%                       |
| <b>CAAA</b> | <b>Management of the State House and President</b> | <b>9,486,944</b> | <b>15,279,734</b> | <b>(5,792,790)</b> | <b>41,616,402</b>    | <b>37%</b>                |
| <b>CAA</b>  | <b>Presidential Support</b>                        | <b>9,486,944</b> | <b>15,279,734</b> | <b>(5,792,790)</b> | <b>41,616,402</b>    | <b>37%</b>                |
| <b>M01</b>  | <b>Constitutional Agencies</b>                     | <b>9,486,944</b> | <b>15,279,734</b> | <b>(5,792,790)</b> | <b>41,616,402</b>    | <b>37%</b>                |
|             | <b>Grand Total</b>                                 | <b>9,486,944</b> | <b>15,279,734</b> | <b>(5,792,790)</b> | <b>41,616,402</b>    | <b>37%</b>                |

Source: Smart –Stream Vision

