

## **PARLIAMENT**

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### **Quarterly Expenditure Report**

**Quarter 1, 2018**

**Expenditure Section, Ministry of Finance and Economic Management**

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## 1. Introduction to the Constitutional Body

The Parliament of the Republic of Vanuatu is a constitutional body that meets regularly to make laws for the peace, order and good government of Vanuatu. Some of core responsibilities of the Parliament are to:

- To be a watchdog to the Government and to scrutinize the Government so as to ensure that there is accountability, transparency and good government.
- Make laws, approval of Annual Appropriation Bill, rectification of the International treaties and other business as provided under the standing Orders of Parliament.
- Conduct parliamentary diplomacy, exchange of visits with other Parliament of other countries and participation in the parliamentary conference.

## 2. Summary of Analysis and Recommendations

Overview
The Parliament faces significant challenges with budget execution, and budget planning appears equally weak. Some adjustments are possible between payroll and operations and to cash flows on selected CoAs. Reprioritization between several CoAs, especially on the operational side, can be undertaken. Revenue collections appear similar to previous years and room for cash flow adjustments exists.

Area	Recommendation
<b>Expenditure Management and Planning</b>	<ul style="list-style-type: none"><li>• Parliament to allow for an environment, where the budget can be executed</li><li>• Parliament to strengthen and tighten up budget execution to ensure optimal usage of public funds</li></ul>
<b>Activity and Cost Centre Management and Planning</b>	<ul style="list-style-type: none"><li>• Reprioritize the budget according to average spending patterns over the past 3 years</li></ul>
<b>Payroll Budget Management and Planning</b>	<ul style="list-style-type: none"><li>• Parliament to adequately budget for payroll costs to allow for improved budget</li></ul>
<b>Detailed Chart of Accounts Patterns in Payroll</b>	<ul style="list-style-type: none"><li>• Parliament to adequately budget for all permanent vacancies that it plans to fill in the following budget year</li><li>• Parliamentary Management Board to ensure that no permanency appointments, contracts or regradings are</li></ul>

<b>Expenditure Management and Planning</b>	<p>approved unless adequate budget exists to cater for them; MFEM support and advice can be sought in this matter</p> <ul style="list-style-type: none"> <li>• Parliament to make sure that new employments that are not catered for in the original budget for the year are matched by virements from operations to payroll to provide the adequate funding for the new staff members</li> </ul>
<b>Operations Budget Management and Planning</b>	<ul style="list-style-type: none"> <li>• Adjust cash flow requirements for operational expenditures based on the average actual expenditure per month over the past years</li> </ul>
<b>Detailed Patterns in Operations Expenditure Management and Planning</b>	<ul style="list-style-type: none"> <li>• For the next budget, adjust cash flow profiles of expenditures adequately based on average actual expenditures of the previous years for these months</li> <li>• For the next budget, reprioritise/reallocate funding across accounts based on average actual expenditures over the previous years</li> <li>• Develop a capital investment and maintenance plan and budget to allow for improved planning and budget execution</li> <li>• Reduce the significant budget for Incidentals and make sure to utilise adequate CoAs for expenditures incurred, unless absolutely necessary to code against Incidentals</li> </ul>
<b>Revenue Management and Planning</b>	<ul style="list-style-type: none"> <li>• Improvements to revenue forecasts for the coming budget are necessary based on previous years' performance and expected outturns</li> <li>• Cash flow can be adjusted in a quarterly and monthly perspective</li> </ul>
<b>Virements</b>	<ul style="list-style-type: none"> <li>• Adjust payroll budget to cater for all permanent posts to abolish the need for virements from operations to payroll</li> </ul>

### **3. Expenditure<sup>1</sup> Management and Planning**

#### **3.1. General Budget Management and Planning**

##### **3.1.1. Situation Report**

In the first quarter of 2018, Parliament has overspends its budget by VT 49.9 million with VT 185.4 million of expenditures (126% of its budget) ([Figure 1](#) and [Figure 2](#)). This marks a very significant increase in spending compared to the previous years. Over all three previous years, the Parliament's budget was overspent by VT 33.7 million in 2015 but underspends by 15.8million in 2016 and overspent by VT14million in 2017. The budget for the first quarter decreased to VT 139.1 from VT 139.9 in 2015, but remains higher than in 2014 and further increased from 139.1million to 140.1million in 2017. In 2017, Q1 has the highest unbudgeted expenditures since 2014 with VT 14.3 million compared to between VT 3.4 and VT 9.9 over the past three years.

In a monthly breakdown, it can be seen that savings in the Q1 of 2018 was seen in January as all other months were overspending its budget ([Figure 3](#)). Infact February and March of 2015 to 2018 overspends its budget respectively. Comparatively, spending in January of 2015-2016 was under budget where Only 2016 saw lower spending with VT 10.5 million. However, March of 2015 and 2016 marks the largest spending both in that month and overall for all 3 months of the four years with VT 82.9 million compared to highest spending of the month of Jan in 2015 of 54.1million and 74.1million incurred in Feb of 2016.

The split between operations and payroll expenditure and budget appears significantly skewed towards operations with between 83-85% of the budget for the first quarter allocated to it and similar amounts spent on it ([Figure 4](#)). This is because the Parliament holds a large number of allowances for MPs like MP Representation Allowances, MP Allocation Allowances and MP Touring Allowances in its operational budget. At the end of Q1 2018 expenditures on these amounted to VT174.4 million Compared to VT 125.8million in 2017 Q1. Considering these, the picture of the split between payroll and operations appears drastically different. In 2018, for example, for the first quarter then only VT 96.7 million was budgeted for other operational expenditures.

##### **3.1.2. Analysis**

Generally, overspending at Parliament is relatively large and appears to be a strong trend over the past years. Budget execution at the Parliament appears to pose a large challenge and be very weak. It is noted that under the Parliament political pressure is contributing to the difficulty of executing the budget. At this point in time it appears that the budget has ceased to have a lot of meaning to the Parliament with the constant overspending occurring and little planning occurring.

One major problem that persists is the lack of adequate planning for activities at the Parliament. The budget may be limited, but improved planning could still lead to significant efficiency gains in the usage of funds. Examples are purchases of four unplanned vehicles at the end of 2015, expected purchase of 58 computers in Q2 2016 and a number of other commitments (e.g. furnitures) to be made in 2016 against

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<sup>1</sup> Note that Expenditure here includes Actual and Committed Expenditure.

no budget. Prior knowledge of such commitments would allow to plan ways to funds these activities. It is evident that political changes and pressures make it significantly more difficult to plan and anticipate activities, however, it would be in the interest of Parliament leadership to push more for a move towards strong business planning.

Notably this year the trend of overspending in Q1 which was first broken in 2016 was regained in 2017 increaesed in 2018. While it is understandable that the Parliament requires sufficient funding to perform its duties, as the representative body of the people of Vanuatu, it should be leading by example for other government agencies.

### 3.1.3. Recommendations

- Parliament to allow for an environment, where the budget can be executed
- Parliament to strengthen and tighten up budget execution to ensure optimal usage of public funds
- Improve the planning for activities at the Parliament to allow adequate budget to be allocated to these

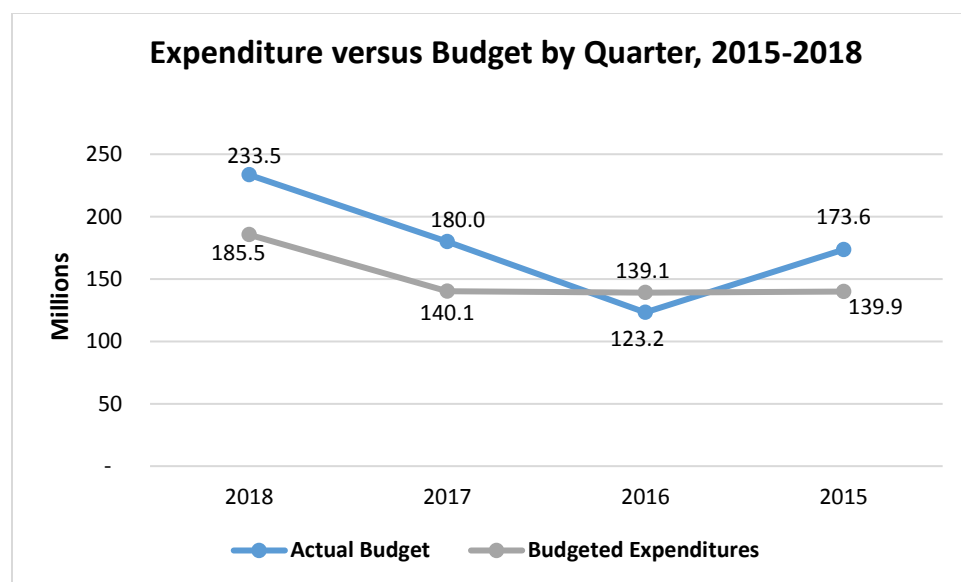
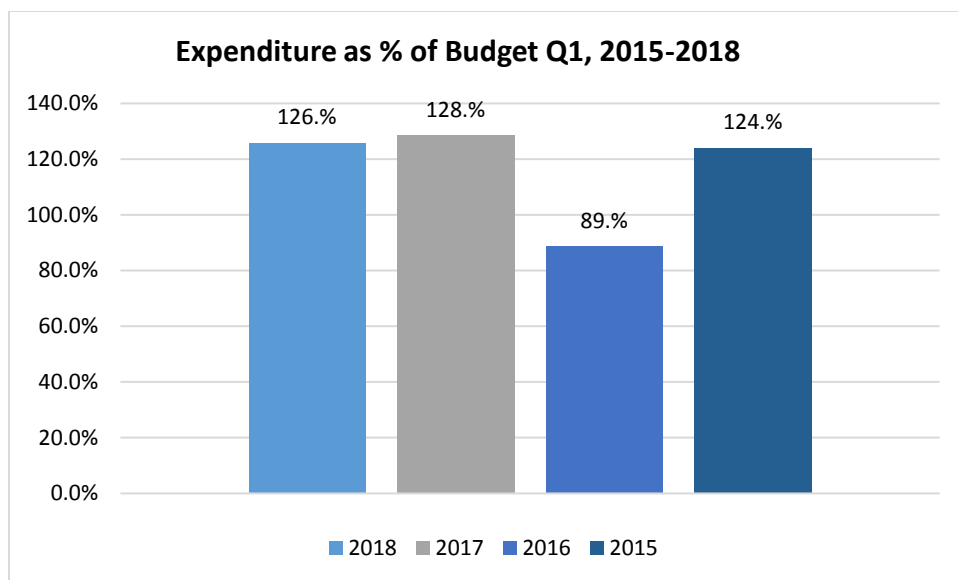
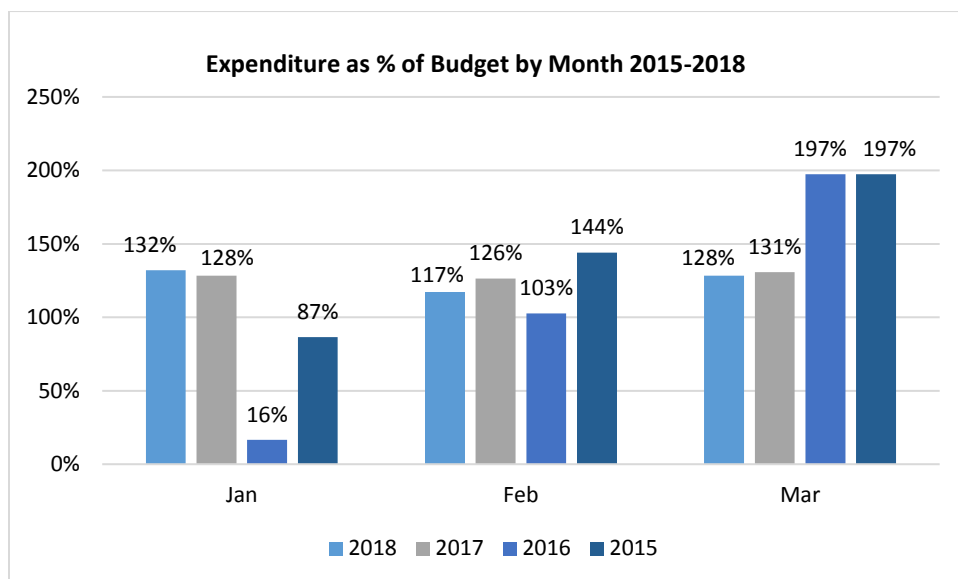


Figure 1 Expenditure versus Budget



**Figure 2** Expenditure as % of Budget by Quarter



**Figure 3** Expenditure as % of Budget by Month

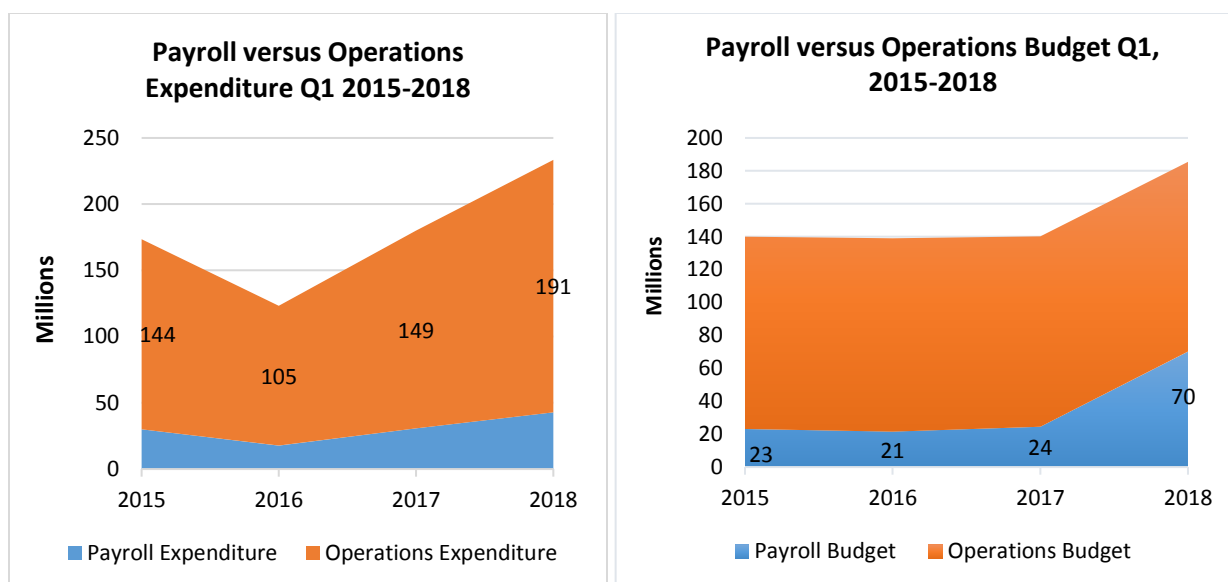


Figure 4 Payroll versus Operations Expenditure and Budget

## 3.2. Activity and Cost Centre Management and Planning

### 3.2.1. Situation Report

At the end of Q1, two out of four activities across Parliament is overspent, namely the CBC Hansard Office with VT 1.7 million overspend (50.6% above budget) and CBD Corporate Services Offices with VT56.5million overspend(178.6% above budget). The activity of CBC Hansard Office overspent each of the three previous years (Figure 5, Figure 6 and

Activity	Description	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Expenditure as % of Budget
		2015	2015	2016	2016	2017	2017	2018	2018	2018
02AA	Legislative Section	100,220,532	89,111,191	81,956,992	88,673,132	100,276,654	89,313,352	123,201,938	135,011,199	91.3%
CBA A	Procedure and Legislative Affairs	100,220,532	89,111,191	81,956,992	88,673,132	100,276,654	89,313,352	123,201,938	135,011,199	91%
02AB	Security & Protocol Section	1,192,130	918,384	1,210,205	889,669	2,166,029	881,202	2,118,711	1,111,974	190.5%
CBA B	Security and Protocol	1,192,130	918,384	1,210,205	889,669	2,166,029	881,202	2,118,711	1,111,974	190.5%

02AC	Inter-Parliamentary Section	1,677,095	2,249,883	1,524,470	2,249,883	1,316,260	2,249,883	1,955,960	1,999,884	97.8%
CBA C	Inter-Parliamentary Relations	1,677,095	2,249,883	1,524,470	2,249,883	1,316,260	2,249,883	1,955,960	1,999,884	97.8%
02AD	Office of the Opposition	5,320,658	5,249,154	3,082,888	5,107,212	5,200,231	5,341,077	8,834,459	4,981,800	177.3%
CBA D	Office of the Leader of the Opposition	5,320,658	5,249,154	3,082,888	5,107,212	5,200,231	5,341,077	8,834,459	4,981,800	177.3%
CBA	Procedure and Legislative Office	108,410,415	97,528,612	87,774,555	96,919,896	108,959,174	97,785,514	136,111,068	143,104,857	95.1%
02BA	Standing Orders Committee Support	946,363	1,189,236	-	895,846	509,101	769,005	350,740	768,996	45.6%
CBB A	Committee of the Standing Orders	946,363	1,189,236	-	895,846	509,101	769,005	350,740	768,996	45.6%
02BB	Parliamentary Privileges Committee Support	539,448	760,203	-	785,812	254,579	783,972	270,218	807,039	33.5%
CBB B	Committee on Parliamentary Privileges and Immunities	539,448	760,203	-	785,812	254,579	783,972	270,218	807,039	33.5%
02BC	Public Accounts Committee Support	2,200,221	1,943,966	744,701	1,918,417	1,557,217	1,907,247	1,897,426	1,910,661	99.3%
CBBC	Committee on the Public Accounts	2,200,221	1,943,966	744,701	1,918,417	1,557,217	1,907,247	1,897,426	1,910,661	99.3%
02BD	Institutions Committee Support	589,601	824,709	-	819,940	308,246	768,099	200,218	768,090	26.1%
CBB D	Committee on Institutions	589,601	824,709	-	819,940	308,246	768,099	200,218	768,090	26.1%



02BE	Legislative Review Committee	347,892	619,017	-	614,248	-	762,393	545,398	762,393	71.5 %
<b>CBBE</b>	<b>Committee on Economic Policy</b>	<b>347,892</b>	<b>619,017</b>	<b>-</b>	<b>614,248</b>	<b>-</b>	<b>762,393</b>	<b>545,398</b>	<b>762,393</b>	<b>71.5 %</b>
02BF	Provincial Affairs Committee	167,224	623,007	-	618,238	186,246	766,392	343,058	766,386	44.8 %
<b>CBBF</b>	<b>Committee on Social Policy</b>	<b>167,224</b>	<b>623,007</b>	<b>-</b>	<b>618,238</b>	<b>186,246</b>	<b>766,392</b>	<b>343,058</b>	<b>766,386</b>	<b>44.8 %</b>
02BG	Committee on Foreign Affairs & External Trade	-	611,997	-	895,849	654,363	769,005	200,218	768,996	26.0 %
02BA_FA	Standing Orders Committee Support									
<b>CBBG</b>	<b>Committee on Foreign Affairs &amp; External Trade</b>	<b>-</b>	<b>611,997</b>	<b>-</b>	<b>895,849</b>	<b>654,363</b>	<b>769,005</b>	<b>200,218</b>	<b>768,996</b>	<b>26.0 %</b>
02BH	Committee on Members of Parliament Ethics & Integrity	-	797,058	-	761,908	186,246	760,068	200,218	760,059	26.3 %
02BA_MP	Standing Orders Committee Support									
<b>CBBH</b>	<b>Committee on Members of Parliament Ethics &amp; Integrity</b>	<b>-</b>	<b>797,058</b>	<b>-</b>	<b>761,908</b>	<b>186,246</b>	<b>760,068</b>	<b>200,218</b>	<b>760,059</b>	<b>26.3 %</b>
<b>CBB</b>	<b>Standing Committees Office</b>	<b>4,790,749</b>	<b>7,369,193</b>	<b>744,701</b>	<b>7,310,258</b>	<b>3,655,998</b>	<b>7,286,190</b>	<b>4,007,494</b>	<b>7,312,620</b>	<b>54.8 %</b>
02CA	Parliamentary Reporting Section	1,853,183	2,092,367	1,923,606	2,033,488	2,497,341	2,234,439	3,538,834	2,234,439	158.4%
<b>CBCA</b>	<b>Parliamentary Reporting</b>	<b>1,853,183</b>	<b>2,092,367</b>	<b>1,923,606</b>	<b>2,033,488</b>	<b>2,497,341</b>	<b>2,234,439</b>	<b>3,538,834</b>	<b>2,234,439</b>	<b>158.4%</b>

02CB	Library & Archives	1,108,227	859,681	1,073,838	838,403	1,200,790	1,200,790	1,588,541	1,169,298	135.9%
CBCB	Library and Archives	1,108,227	859,681	1,073,838	838,403	1,200,790	1,200,790	1,588,541	1,169,298	135.9%
CBC	Hansard Office	2,961,410	2,952,048	2,997,444	2,871,891	3,698,131	3,435,229	5,127,375	3,403,737	150.6%
02D A	Accounts Section	1,825,617	681,796	673,891	663,221	868,203	654,876	843,884	654,876	128.9%
CBD A	Financial Management	1,825,617	681,796	673,891	663,221	868,203	654,876	843,884	654,876	128.9%
02DB	Personnel Section	5,250,486	5,390,530	4,835,660	5,290,509	4,179,769	4,986,387	4,982,540	5,002,929	99.6%
CBD B	Personnel Administration and Maintenance	5,250,486	5,390,530	4,835,660	5,290,509	4,179,769	4,986,387	4,982,540	5,002,929	99.6%
02DC	Members Allocations	50,404,857	26,000,000	26,184,234	26,000,000	58,640,828	26,000,000	82,379,796	25,999,896	316.8%
CBD C	Members Allocation	50,404,857	26,000,000	26,184,234	26,000,000	58,640,828	26,000,000	82,379,796	25,999,896	316.8%
CBD	Corporate Services Office	57,480,960	32,072,326	31,693,785	31,953,730	63,688,800	31,641,263	88,206,220	31,657,701	278.6%
Total		173,643,534	139,922,179	123,210,485	139,055,775	180,002,103	140,148,196	233,452,157	185,478,915	125.9%

Table 1). However, in all three previous years CBA Procedure but underspends in this quarter and Legislative Office also overspent and in both 2014 and 2015 CBD Corporate Services Office also spent beyond its budget.

Under CBC, the programme CBCB Library and Archives overspent its budget by 35.9% and Parliamentary reporting by 58.4% (

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<b>CBA A</b>	<b>Procedure and Legislative Affairs</b>	<b>100,220,532</b>	<b>89,111,191</b>	<b>81,956,992</b>	<b>88,673,132</b>	<b>100,276,654</b>	<b>89,313,352</b>	<b>123,201,938</b>	<b>135,011,199</b>	<b>91%</b>
02AB	Security & Protocol Section	1,192,130	918,384	1,210,205	889,669	2,166,029	881,202	2,118,711	1,111,974	190.5%
<b>CBA B</b>	<b>Security and Protocol</b>	<b>1,192,130</b>	<b>918,384</b>	<b>1,210,205</b>	<b>889,669</b>	<b>2,166,029</b>	<b>881,202</b>	<b>2,118,711</b>	<b>1,111,974</b>	<b>190.5%</b>
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<b>CBA C</b>	<b>Inter-Parliamentary Relations</b>	<b>1,677,095</b>	<b>2,249,883</b>	<b>1,524,470</b>	<b>2,249,883</b>	<b>1,316,260</b>	<b>2,249,883</b>	<b>1,955,960</b>	<b>1,999,884</b>	<b>97.8%</b>
02A D	Office of the Opposition	5,320,658	5,249,154	3,082,888	5,107,212	5,200,231	5,341,077	8,834,459	4,981,800	177.3%
<b>CBA D</b>	<b>Office of the Leader of the Opposition</b>	<b>5,320,658</b>	<b>5,249,154</b>	<b>3,082,888</b>	<b>5,107,212</b>	<b>5,200,231</b>	<b>5,341,077</b>	<b>8,834,459</b>	<b>4,981,800</b>	<b>177.3%</b>
<b>CBA</b>	<b>Procedure and Legislative Office</b>	<b>108,410,415</b>	<b>97,528,612</b>	<b>87,774,555</b>	<b>96,919,896</b>	<b>108,959,174</b>	<b>97,785,514</b>	<b>136,111,068</b>	<b>143,104,857</b>	<b>95.1%</b>
02BA	Standing Orders Committee Support	946,363	1,189,236	-	895,846	509,101	769,005	350,740	768,996	45.6%
<b>CBB A</b>	<b>Committee of the Standing Orders</b>	<b>946,363</b>	<b>1,189,236</b>	<b>-</b>	<b>895,846</b>	<b>509,101</b>	<b>769,005</b>	<b>350,740</b>	<b>768,996</b>	<b>45.6%</b>
02BB	Parliamentary Privileges Committee Support	539,448	760,203	-	785,812	254,579	783,972	270,218	807,039	33.5%
<b>CBB B</b>	<b>Committee on Parliamentary Privileges and Immunities</b>	<b>539,448</b>	<b>760,203</b>	<b>-</b>	<b>785,812</b>	<b>254,579</b>	<b>783,972</b>	<b>270,218</b>	<b>807,039</b>	<b>33.5%</b>
02BC	Public Accounts Committee Support	2,200,221	1,943,966	744,701	1,918,417	1,557,217	1,907,247	1,897,426	1,910,661	99.3%

<b>CBBC</b>	<b>Committee on the Public Accounts</b>	<b>2,200,221</b>	<b>1,943,966</b>	<b>744,701</b>	<b>1,918,417</b>	<b>1,557,217</b>	<b>1,907,247</b>	<b>1,897,426</b>	<b>1,910,661</b>	<b>99.3 %</b>
02BD	Institutions Committee Support	589,601	824,709	-	819,940	308,246	768,099	200,218	768,090	26.1 %
<b>CBB D</b>	<b>Committee on Institutions</b>	<b>589,601</b>	<b>824,709</b>	<b>-</b>	<b>819,940</b>	<b>308,246</b>	<b>768,099</b>	<b>200,218</b>	<b>768,090</b>	<b>26.1 %</b>
02BE	Legislative Review Committee	347,892	619,017	-	614,248	-	762,393	545,398	762,393	71.5 %
<b>CBBE</b>	<b>Committee on Economic Policy</b>	<b>347,892</b>	<b>619,017</b>	<b>-</b>	<b>614,248</b>	<b>-</b>	<b>762,393</b>	<b>545,398</b>	<b>762,393</b>	<b>71.5 %</b>
02BF	Provincial Affairs Committee	167,224	623,007	-	618,238	186,246	766,392	343,058	766,386	44.8 %
<b>CBBF</b>	<b>Committee on Social Policy</b>	<b>167,224</b>	<b>623,007</b>	<b>-</b>	<b>618,238</b>	<b>186,246</b>	<b>766,392</b>	<b>343,058</b>	<b>766,386</b>	<b>44.8 %</b>
02BG	Committee on Foreign Affairs & External Trade	-	611,997	-	895,849	654,363	769,005	200,218	768,996	26.0 %
02BA_FA	Standing Orders Committee Support									
<b>CBB G</b>	<b>Committee on Foreign Affairs &amp; External Trade</b>	<b>-</b>	<b>611,997</b>	<b>-</b>	<b>895,849</b>	<b>654,363</b>	<b>769,005</b>	<b>200,218</b>	<b>768,996</b>	<b>26.0 %</b>
02BH	Committee on Members of Parliament Ethics & Integrity	-	797,058	-	761,908	186,246	760,068	200,218	760,059	26.3 %
02BA_MP	Standing Orders Committee Support									
<b>CBB H</b>	<b>Committee on Members of Parliament Ethics &amp; Integrity</b>	<b>-</b>	<b>797,058</b>	<b>-</b>	<b>761,908</b>	<b>186,246</b>	<b>760,068</b>	<b>200,218</b>	<b>760,059</b>	<b>26.3 %</b>

<b>CBB</b>	<b>Standing Committees Office</b>	<b>4,790,749</b>	<b>7,369,193</b>	<b>744,701</b>	<b>7,310,258</b>	<b>3,655,998</b>	<b>7,286,190</b>	<b>4,007,494</b>	<b>7,312,620</b>	<b>54.8 %</b>
02CA	Parliamentary Reporting Section	1,853,183	2,092,367	1,923,606	2,033,488	2,497,341	2,234,439	3,538,834	2,234,439	158.4%
<b>CBC A</b>	<b>Parliamentary Reporting</b>	<b>1,853,183</b>	<b>2,092,367</b>	<b>1,923,606</b>	<b>2,033,488</b>	<b>2,497,341</b>	<b>2,234,439</b>	<b>3,538,834</b>	<b>2,234,439</b>	<b>158.4%</b>
02CB	Library & Archives	1,108,227	859,681	1,073,838	838,403	1,200,790	1,200,790	1,588,541	1,169,298	135.9%
<b>CBCB</b>	<b>Library and Archives</b>	<b>1,108,227</b>	<b>859,681</b>	<b>1,073,838</b>	<b>838,403</b>	<b>1,200,790</b>	<b>1,200,790</b>	<b>1,588,541</b>	<b>1,169,298</b>	<b>135.9%</b>
<b>CBC</b>	<b>Hansard Office</b>	<b>2,961,410</b>	<b>2,952,048</b>	<b>2,997,444</b>	<b>2,871,891</b>	<b>3,698,131</b>	<b>3,435,229</b>	<b>5,127,375</b>	<b>3,403,737</b>	<b>150.6%</b>
02D A	Accounts Section	1,825,617	681,796	673,891	663,221	868,203	654,876	843,884	654,876	128.9%
<b>CBD A</b>	<b>Financial Management</b>	<b>1,825,617</b>	<b>681,796</b>	<b>673,891</b>	<b>663,221</b>	<b>868,203</b>	<b>654,876</b>	<b>843,884</b>	<b>654,876</b>	<b>128.9%</b>
02DB	Personnel Section	5,250,486	5,390,530	4,835,660	5,290,509	4,179,769	4,986,387	4,982,540	5,002,929	99.6 %
<b>CBD B</b>	<b>Personnel Administration and Maintenance</b>	<b>5,250,486</b>	<b>5,390,530</b>	<b>4,835,660</b>	<b>5,290,509</b>	<b>4,179,769</b>	<b>4,986,387</b>	<b>4,982,540</b>	<b>5,002,929</b>	<b>99.6 %</b>
02DC	Members Allocations	50,404,857	26,000,000	26,184,234	26,000,000	58,640,828	26,000,000	82,379,796	25,999,896	316.8%
<b>CBD C</b>	<b>Members Allocation</b>	<b>50,404,857</b>	<b>26,000,000</b>	<b>26,184,234</b>	<b>26,000,000</b>	<b>58,640,828</b>	<b>26,000,000</b>	<b>82,379,796</b>	<b>25,999,896</b>	<b>316.8%</b>
<b>CBD</b>	<b>Corporate Services Office</b>	<b>57,480,960</b>	<b>32,072,326</b>	<b>31,693,785</b>	<b>31,953,730</b>	<b>63,688,800</b>	<b>31,641,263</b>	<b>88,206,220</b>	<b>31,657,701</b>	<b>278.6%</b>
<b>Total</b>		<b>173,643,534</b>	<b>139,922,179</b>	<b>123,210,485</b>	<b>139,055,775</b>	<b>180,002,103</b>	<b>140,148,196</b>	<b>233,452,157</b>	<b>185,478,915</b>	<b>125.9%</b>

Table 1). Other programmes that overspent under CBD are Financial Management by 28.9% and CBD Members Allocation by 216.8%. Most cost savings were incurred on Standing Committees over that time period.

### 3.2.2. Analysis

The same trends of overspending appear to occur on a very regular basis at the Parliament. The Parliament should consider to make changes to its budget to reflect savings incurred under the standing committees to cover higher spending in other areas.

### 3.2.3. Recommendations

- Reprioritize the budget according to average spending patterns over the past 3 years

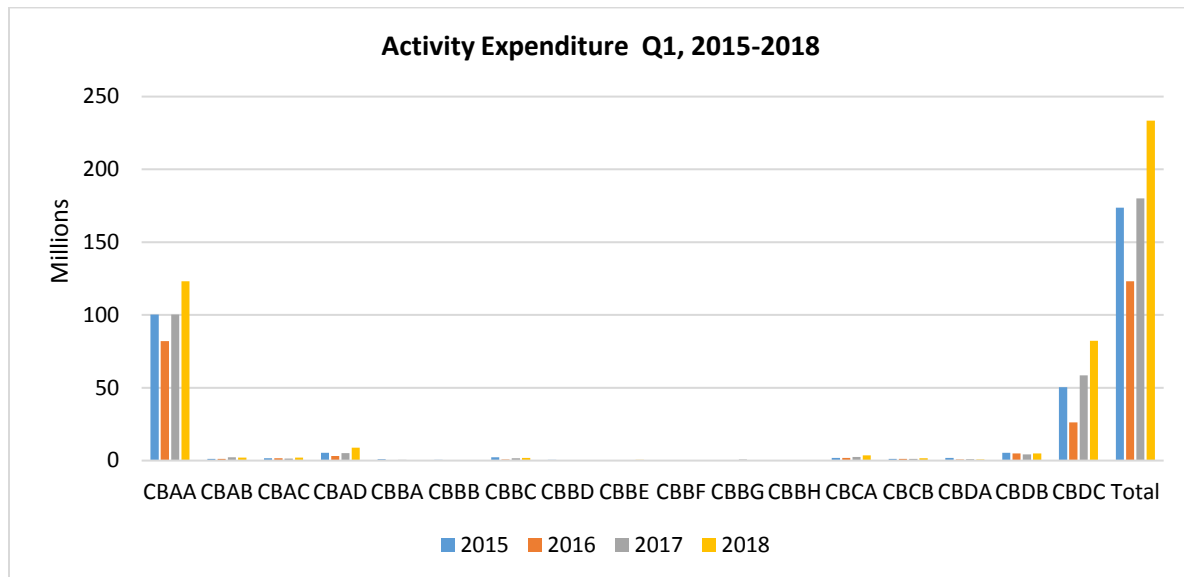


Figure 5 Actual Activity Expenditure

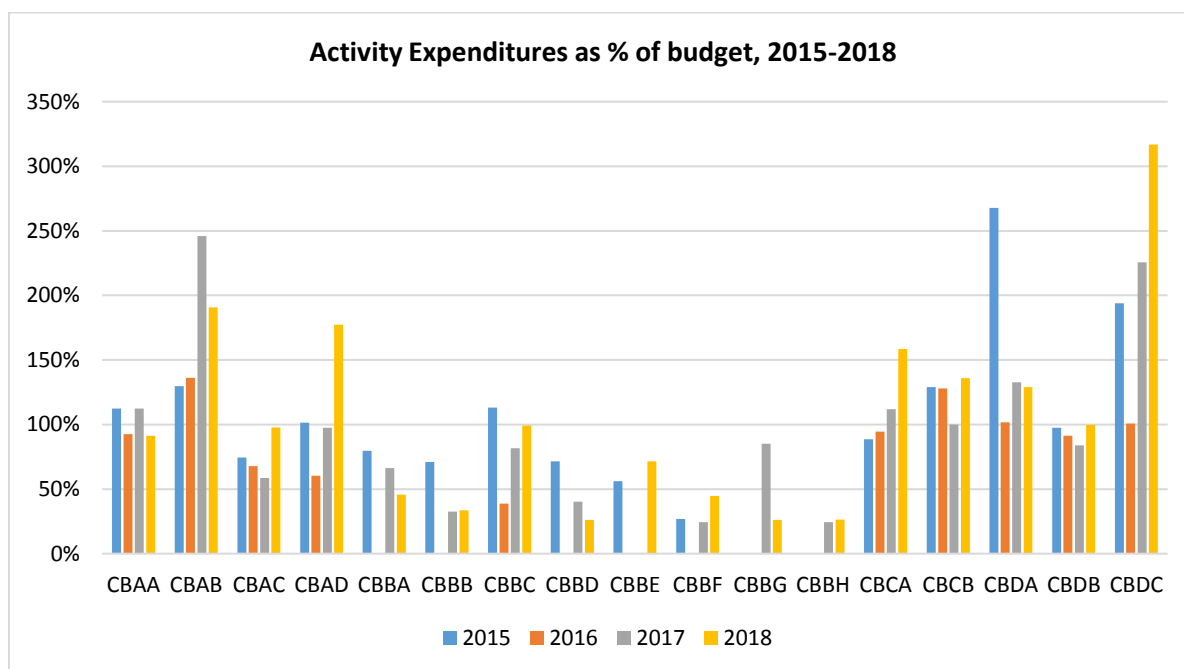


Figure 6 Expenditure as % of Budget by Activity

Activity	Description	Actual 2015	Budget 2015	Actual 2016	Budget 2016	Actual 2017	Budget 2017	Actual 2018	Budget 2018	Expendi ture as % of Budget 2018
02AA	Legislative Section	100,220,532	89,111,191	81,956,992	88,673,132	100,276,654	89,313,352	123,201,938	135,011,199	91.3%
CBAA	Procedure and Legislative Affairs	100,220,532	89,111,191	81,956,992	88,673,132	100,276,654	89,313,352	123,201,938	135,011,199	91%
02AB	Security & Protocol Section	1,192,130	918,384	1,210,205	889,669	2,166,029	881,202	2,118,711	1,111,974	190.5%
CBAB	Security and Protocol	1,192,130	918,384	1,210,205	889,669	2,166,029	881,202	2,118,711	1,111,974	190.5%
02AC	Inter-Parliamentary Section	1,677,095	2,249,883	1,524,470	2,249,883	1,316,260	2,249,883	1,955,960	1,999,884	97.8%
CBAC	Inter-Parliamentary Relations	1,677,095	2,249,883	1,524,470	2,249,883	1,316,260	2,249,883	1,955,960	1,999,884	97.8%
02AD	Office of the Opposition	5,320,658	5,249,154	3,082,888	5,107,212	5,200,231	5,341,077	8,834,459	4,981,800	177.3%
CBAD	Office of the Leader of the Opposition	5,320,658	5,249,154	3,082,888	5,107,212	5,200,231	5,341,077	8,834,459	4,981,800	177.3%
CBA	Procedure and Legislative Office	108,410,415	97,528,612	87,774,555	96,919,896	108,959,174	97,785,514	136,111,068	143,104,857	95.1%
02BA	Standing Orders Committee Support	946,363	1,189,236	-	895,846	509,101	769,005	350,740	768,996	45.6%
CBBA	Committee of the Standing Orders	946,363	1,189,236	-	895,846	509,101	769,005	350,740	768,996	45.6%
02BB	Parliamentary Privileges Committee Support	539,448	760,203	-	785,812	254,579	783,972	270,218	807,039	33.5%
CBBB	Committee on Parliamentary Privileges and Immunities	539,448	760,203	-	785,812	254,579	783,972	270,218	807,039	33.5%

02BC	Public Accounts Committee Support	2,200,221	1,943,966	744,701	1,918,417	1,557,217	1,907,247	1,897,426	1,910,661	99.3%
<b>CBBC</b>	<b>Committee on the Public Accounts</b>	<b>2,200,221</b>	<b>1,943,966</b>	<b>744,701</b>	<b>1,918,417</b>	<b>1,557,217</b>	<b>1,907,247</b>	<b>1,897,426</b>	<b>1,910,661</b>	<b>99.3%</b>
02BD	Institutions Committee Support	589,601	824,709	-	819,940	308,246	768,099	200,218	768,090	26.1%
<b>CBBD</b>	<b>Committee on Institutions</b>	<b>589,601</b>	<b>824,709</b>	<b>-</b>	<b>819,940</b>	<b>308,246</b>	<b>768,099</b>	<b>200,218</b>	<b>768,090</b>	<b>26.1%</b>
02BE	Legislative Review Committee	347,892	619,017	-	614,248	-	762,393	545,398	762,393	71.5%
<b>CBBE</b>	<b>Committee on Economic Policy</b>	<b>347,892</b>	<b>619,017</b>	<b>-</b>	<b>614,248</b>	<b>-</b>	<b>762,393</b>	<b>545,398</b>	<b>762,393</b>	<b>71.5%</b>
02BF	Provincial Affairs Committee	167,224	623,007	-	618,238	186,246	766,392	343,058	766,386	44.8%
<b>CBBF</b>	<b>Committee on Social Policy</b>	<b>167,224</b>	<b>623,007</b>	<b>-</b>	<b>618,238</b>	<b>186,246</b>	<b>766,392</b>	<b>343,058</b>	<b>766,386</b>	<b>44.8%</b>
02BG	Committee on Foreign Affairs & External Trade	-	611,997	-	895,849	654,363	769,005	200,218	768,996	26.0%
02BA_F A	Standing Orders Committee Support									
<b>CBBG</b>	<b>Committee on Foreign Affairs &amp; External Trade</b>	<b>-</b>	<b>611,997</b>	<b>-</b>	<b>895,849</b>	<b>654,363</b>	<b>769,005</b>	<b>200,218</b>	<b>768,996</b>	<b>26.0%</b>
02BH	Committee on Members of Parliament Ethics & Integrity	-	797,058	-	761,908	186,246	760,068	200,218	760,059	26.3%
02BA_M P	Standing Orders Committee Support									
<b>CBBH</b>	<b>Committee on Members of</b>	<b>-</b>	<b>797,058</b>	<b>-</b>	<b>761,908</b>	<b>186,246</b>	<b>760,068</b>	<b>200,218</b>	<b>760,059</b>	<b>26.3%</b>



	Parliament Ethics & Integrity									
CBB	Standing Committees Office	4,790,749	7,369,193	744,701	7,310,258	3,655,998	7,286,190	4,007,494	7,312,620	54.8%
02CA	Parliamentary Reporting Section	1,853,183	2,092,367	1,923,606	2,033,488	2,497,341	2,234,439	3,538,834	2,234,439	158.4%
CBCA	Parliamentary Reporting	1,853,183	2,092,367	1,923,606	2,033,488	2,497,341	2,234,439	3,538,834	2,234,439	158.4%
02CB	Library & Archives	1,108,227	859,681	1,073,838	838,403	1,200,790	1,200,790	1,588,541	1,169,298	135.9%
CBCB	Library and Archives	1,108,227	859,681	1,073,838	838,403	1,200,790	1,200,790	1,588,541	1,169,298	135.9%
CBC	Hansard Office	2,961,410	2,952,048	2,997,444	2,871,891	3,698,131	3,435,229	5,127,375	3,403,737	150.6%
02DA	Accounts Section	1,825,617	681,796	673,891	663,221	868,203	654,876	843,884	654,876	128.9%
CBDA	Financial Management	1,825,617	681,796	673,891	663,221	868,203	654,876	843,884	654,876	128.9%
02DB	Personnel Section	5,250,486	5,390,530	4,835,660	5,290,509	4,179,769	4,986,387	4,982,540	5,002,929	99.6%
CBDB	Personnel Administration and Maintenance	5,250,486	5,390,530	4,835,660	5,290,509	4,179,769	4,986,387	4,982,540	5,002,929	99.6%
02DC	Members Allocations	50,404,857	26,000,000	26,184,234	26,000,000	58,640,828	26,000,000	82,379,796	25,999,896	316.8%
CBDC	Members Allocation	50,404,857	26,000,000	26,184,234	26,000,000	58,640,828	26,000,000	82,379,796	25,999,896	316.8%
CBD	Corporate Services Office	57,480,960	32,072,326	31,693,785	31,953,730	63,688,800	31,641,263	88,206,220	31,657,701	278.6%
Total		173,643,534	139,922,179	123,210,485	139,055,775	180,002,103	140,148,196	233,452,157	185,478,915	125.9%

Table 1 Expenditure and Budget by CC

### 3.3. Payroll Budget Management and Planning

#### 3.3.1. Situation Report

At the end of Q1 2018, the payroll underspends its budget by VT 27.3 million with VT 42.8 million expended against its budget (Figure 7). This is a spending of 61% of the allocated budget for this period (Figure 8). Over the past three years the payroll at the end of Q1 was always overspent by VT 6.8 million in 2015 and on till VT6.4million in 2017. Notably the payroll budget for 2016 Q1 does not only has the lowest spending than in all previous years but incurred savings of 3.7% of its budget. At the current rate of expenditure, it is estimated that the payroll for the Parliament will likely to overspend by the end of the year given that in previous years the payroll overspent by VT37.3million(2017), VT24.8million(2016) VT 241.3 million (2015).

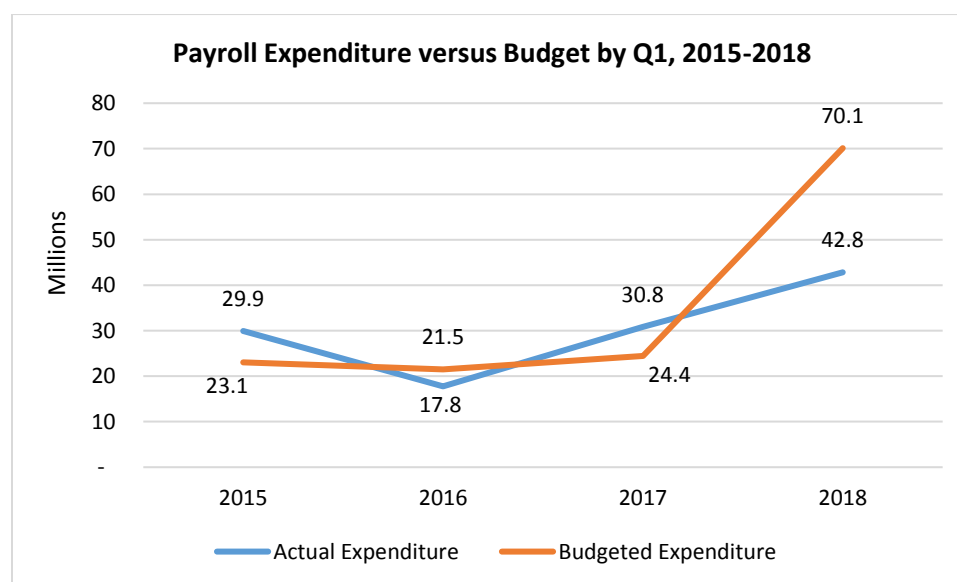
The savings on Q1 2016 can be explained by significant underspending in January and February of VT 53% and 47% only respectively. However, in March, after the new Parliament was elected it can be seen that expenditures on the payroll are catching up again with the largest overspending seen since 2014 to 2017 with 138% of the budget for that month expended (Figure 9). Also Jan 2018 saw the lowest spendings this is because the take-home allowances have been suspended to cater for the GRT implementations as spendings picked up in Feb and March of 2018.

#### 3.3.2. Analysis

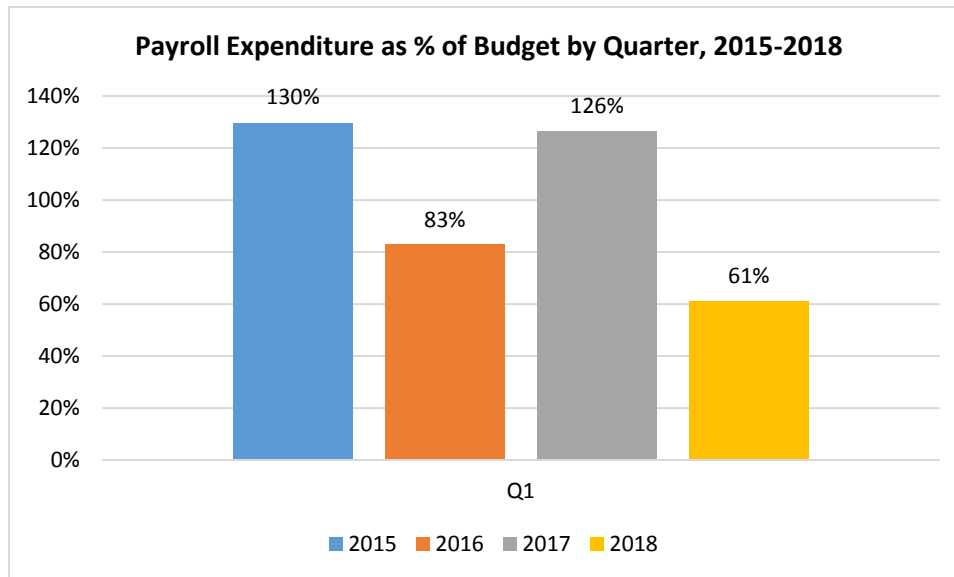
The Parliament is consistently underbudgeting its payroll. This then leads to overspending and takes up funding from operations under the controls implemented by MFEM. As such, this is a hinderance to adequate execution of the operations budget as well.

#### 3.3.3. Recommendations

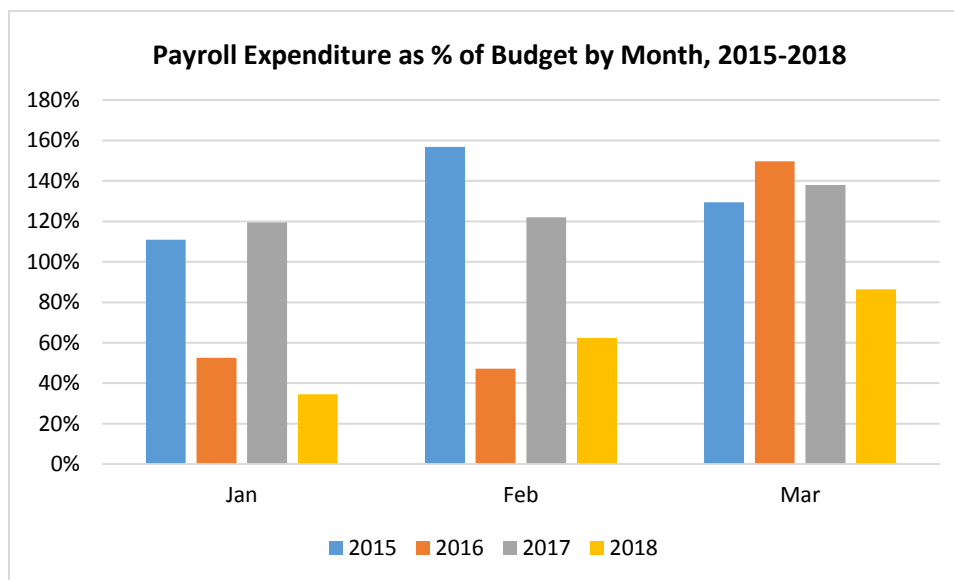
- Parliament to adequately budget for payroll costs to allow for improved budget execution



**Figure 7** Total Payroll Expenditure versus Budget



**Figure 8** Total Payroll Expenditure as % of Budget by Quarter



**Figure 9** Total Payroll Expenditure as % of Budget by Month

### 3.4. Detailed Chart of Accounts Patterns in Payroll Expenditure Management and Planning

#### 3.4.1. Situation Report

Looking in more detail at the payroll charts of accounts, a number of persisting and significant issues can be identified (see [Figure 10](#), [Figure 11](#) and [Error! Reference source not found.](#)).

#### (1). Permanent Wages and Provident Fund

Permanent Wages and the Provident Fund with family allowances have significantly overspent its budget in all past years by the end of Q1. In 2017, however, Permanent Wages underspending of 2016 was broken with an overspending of 108% of its budget. The Provident funds continues to overspend with expenditures at 290% of its budget and is the highest payroll overspending chart of account in Q1. It is not clear how VNPF can overspend substantially when permanent wages just went a little 8% beyond its allocated budget, nonetheless this was a similar case in 2016 where the account overspends and the permanent wages underspends. Overspending on Daily Rated Wages could contribute to this, but cannot explain the full extend of the overspend. Family allowances too increasingly overspends with 164% of its budget.

In 2018, Permanent wages and VNPF are the only expending accounts due to the fact that, the implementation of the GRT had caused the take-home allowances to be bulk together and make up the new base salary hence it is expected for these to be incurring a lot of spendings and overspendings because it was not anticipated during budget preparations and submissions.

## **(2). Underspending on Housing Allowance**

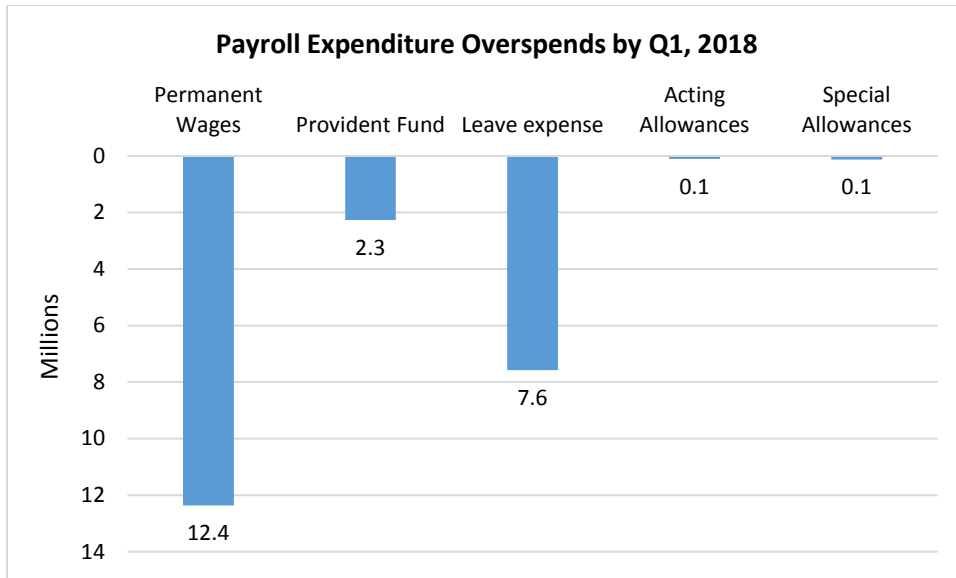
In tandem with the overspending on permanent wages, housing allowances underspend by 4%.

### **3.4.2. Analysis**

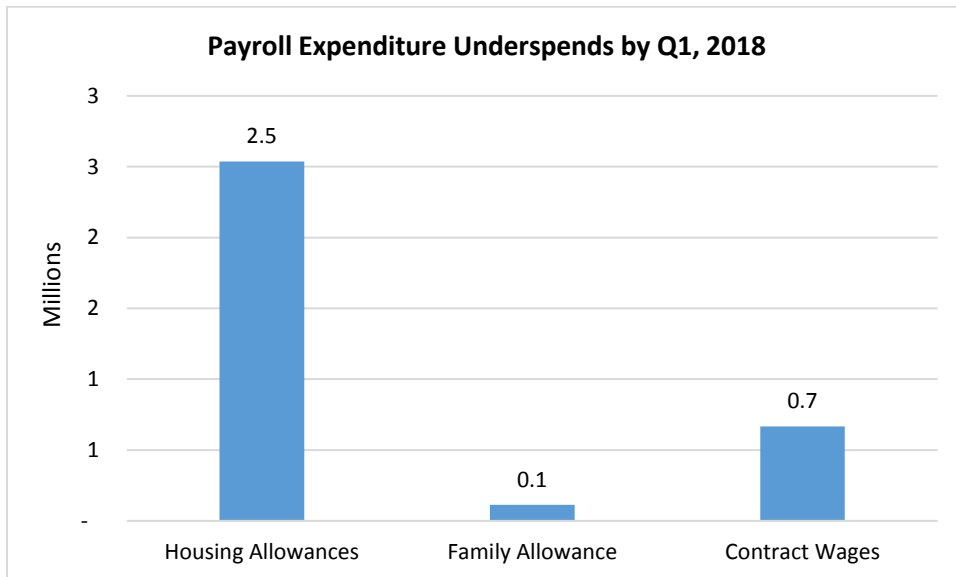
The Parliament is consistently underbudgeting for permanent wages and related allowances like VNPF, Family and housing allowances. It is unclear how the Parliament can consistently employ staff and appoint them to permanent positions without the adequate means to ensure payment of salaries for such employees. The Parliamentary Management Board, as the employment agency for the Parliament, should ensure that adequate checks and balances are in place that will allow to cover wages of new permanent staff adequately. In the context of the Public Service Commission, for example, MFEM is required to check whether sufficient funding is available to make a new permanent recruitment for the year and provide advice to the Public Service Commission prior to any appointments being made. It is crucial to check if budget exists to pay new employees, as by employing them the Parliament is making this promise as employer to its employees. If this is not adequately budgeted for and matched by virements, then the payroll overspends and unexpectedly uses up the operations funds.

### **3.4.3. Recommendations**

- Parliament to adequately budget for all permanent vacancies that it plans to fill in the following budget year
- Parliamentary Management Board to ensure that no permanency appointments, contracts or regradings are approved unless adequate budget exists to cater for them; MFEM support and advice can be sought in this matter
- Parliament to make sure that new employments that are not catered for in the original budget for the year are matched by virements from operations to payroll to provide the adequate funding for the new staff members



**Figure 10** Major Payroll Overspend by CoA



**Figure 11** Major Payroll Underspend by CoA

Payroll Expenditure Q1, 2015-2018									
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Expenditure as % of Budget
	2015	2015	2016	2016	2017	2017	2018	2018	2018
Permanent Wages	19,834,546	16,688,460	12,946,483	17,465,020	21,047,683	19,415,514	31,566,643	19,204,164	164%
Housing Allowances	4,198,596	3,354,160	1,887,757	3,023,301	2,647,149	2,928,639	112,458	2,649,696	4%
Provident Fund	2,465,289	682,680	1,708,696	710,466	2,291,726	791,145	3,067,008	799,362	384%
Leave expense	2,991,103	0	569,894	0	1,741,990	-	7,575,755	-	-
Daily Rated Wages	0	240,057	173,262	131,706	-	234,381	-	-	-
Home Island Passage Allowances	92,866	0	167,805	0	145,185	-	52,942	-	-
Family Allowance	171,120	95,039	166,612	165,117	212,189	129,051	-	112,434	0%
Overtime Wages	62,000	0	50,867	0	1,234,383	-	60,000	-	-
Contract Wages							-	667,605	0%
Other Allowances			40,983	0	-	-	4,300	-	-
Gratuitie Allowances	91,665	0	33,226	0	193,315	-	65,727	-	-
Responsibility Allowance			23,701	0	290,400	-	89,260	-	-
Payroll expenses	0	1,969,102	0	0	-	925,561	-	46,684,473	0%
Acting Allowances					261,987	-	109,927	-	-
Special Allowances	0	43,448			772,728	-	130,000	-	-
Total	29,907,185	23,072,946	17,769,286	21,495,610	30,838,735	24,424,291	42,834,020	70,117,734	62%

Table 2 Payroll Expenditure by CoA

### 3.5. Operations Budget Management and Planning

#### 3.5.1. Situation Report

For the first quarter of 2018, total expenditure on operations overspent its budget by VT 75.2 million against a budget of VT 115.4 million ([Figure 12](#)). Thus, 165% of its budget was expended so far ([Figure 13](#)). This time operational expenditures increased overspendings from Q1 2017 to Q1 2018 by 41.4 million.

In a monthly breakdown, although all three months of 2017 have overspent on allocated budget, it can be seen that there was low spending in February with VT 38.1 million (128% of the budget) spent. Expenditure in January and March were higher with 130% and 129% expended respectively ([Figure 14](#)). In all previous years January underspent its budget, but this is the largest by far and had broken the underspending trend.

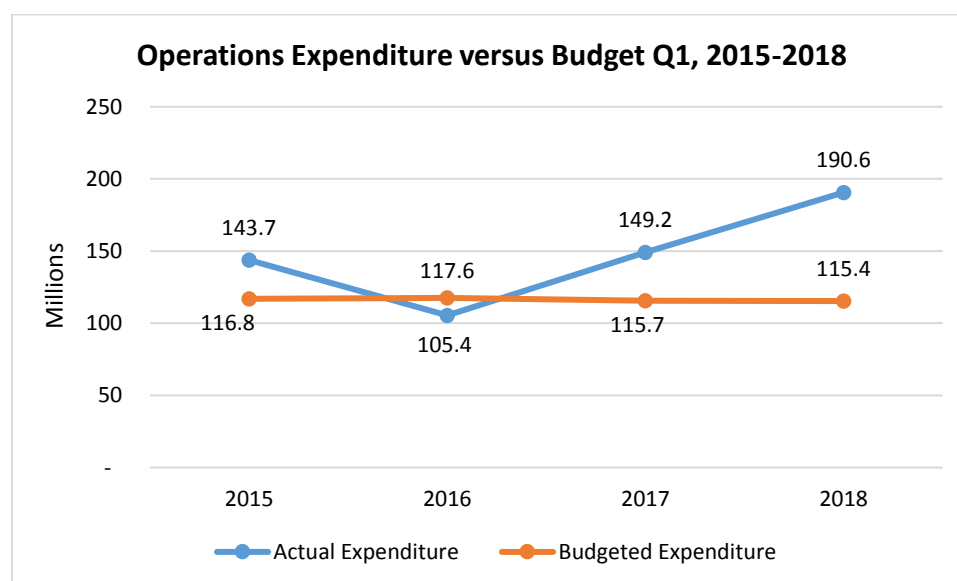
#### 3.5.2. Analysis

The first time underspending in Q1 2016 was broken again with an overspending in Q1, 2017 at the Parliament. The underspending may have been influenced to a large part by the political situation that led to snap elections and, whereby a new Parliament was put into place in February only. Likewise, stricter expenditure controls due to a supply bill in place in Q1 may have contributed to lower spending than usual. Heightened activities are expected to occur, as indicated by the overspending in Q1, over future months.

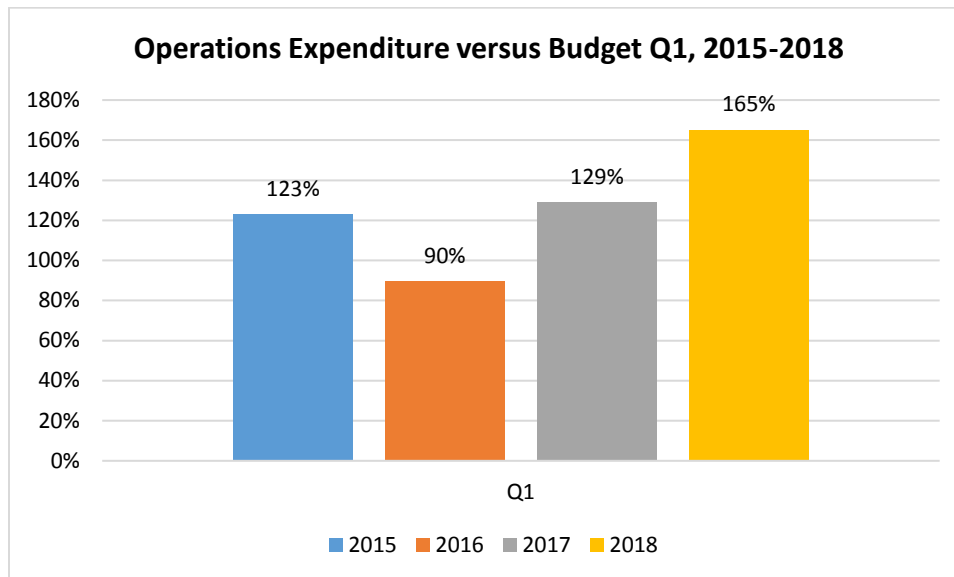
Given that in the previous three years operations expenditures came in under budget at the end of the year, it can be assumed that this is a rather a cash flow issue than a budget issue. The budget share of operations is already very high and should be able to adequately cater to operational expenses required.

#### 3.5.3. Recommendations

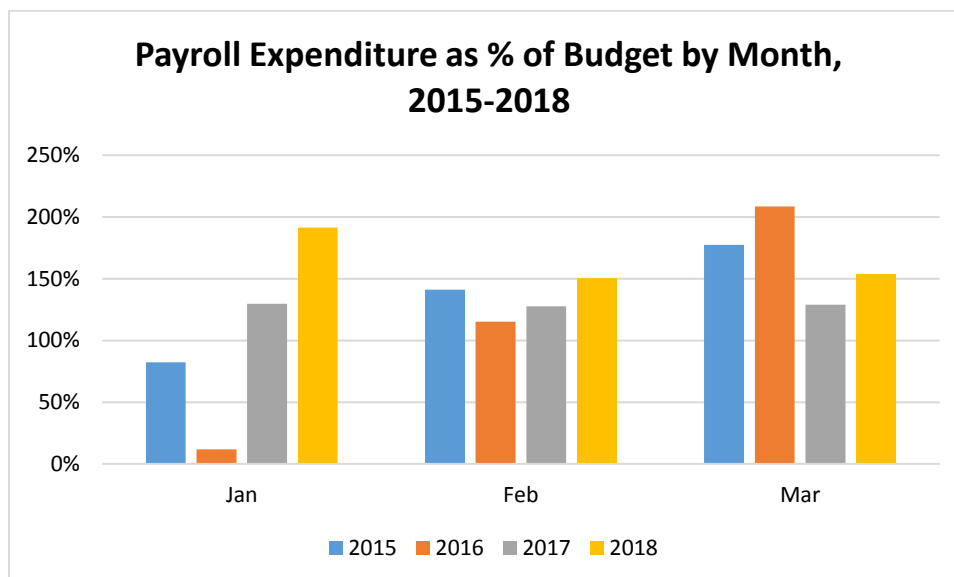
- Adjust cash flow requirements for operational expenditures based on the average actual expenditure per month over the past years



**Figure 12** Total Operations Expenditures versus Budget



**Figure 13** Total Operations Expenditures as % of Budget by Quarter



**Figure 14** Total Operations Expenditures as % of Budget by Month

### 3.6. Detailed Patterns in Operations Expenditure Management and Planning

#### 3.6.1. Situation Report

Looking in more detail at the operations charts of accounts, a number of persisting and significant issues can be identified (see [Figure 15](#), [Figure 16](#) and

Operations Expenditure Q1, 2015-2018
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	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Expenditure as % of Budget
	2015	2015	2016	2016	2017	2017	2018	2018	2018
M.P. Representation Allowances	57,413,304	60,397,809	42,285,181	59,999,760	55,561,272	59,999,760	73,726,536	59,999,760	123%
M.P. Allocation Allowances	52,698,887	13,000,000	26,129,466	26,000,000	60,210,944	26,000,000	82,449,229	25,999,896	317%
M.P. Touring Allowances	10,380,292	10,919,955	7,551,067	10,749,957	10,045,464	10,749,957	18,279,352	10,749,957	170%
Court Costs			4,782,750	0					
Vehicles Repairs & Maintenance	495,626	664,563	3,498,723	557,502	569,320	525,000	403,166	525,000	77%
Value Added Tax	1,406,897	941,364	2,523,001	1,061,247	1,192,674	1,019,004	1,770,818	1,063,422	167%
Subsistence Allowances	6,431,959	3,902,016	2,405,000	4,737,480	2,283,800	4,912,482	400,000	4,912,482	8%
Incidentals	3,423,241	5,548,677	2,343,584	3,985,347	2,224,488	2,614,929	-732,517	1,797,813	-41%
International Medical Treatment					8,505,000	-			
Local Travel	514,987	1,205,118	2,238,959	1,561,512	896,046	1,287,486	1,624,649	1,312,485	124%
Vehicle - Additional Vehicle			1,848,889	0					
Buildings Repairs & Maintenance	2,079,470	520,248	1,687,913	520,248	309,620	874,998	1,415,593	750,000	189%
Official Entertainment	418,666	274,998	1,202,460	274,998	810,956	373,605	1,016,619	659,853	154%
Stationery - Communications	441,781	502,350	1,118,849	548,106	563,740	755,766	424,561	750,765	57%
Sitting Allowances	214,000	1,948,989	1,072,000	1,811,502	64,000	1,811,502	-29,000	1,811,502	-2%
Equipment Repairs & Maintenance	556,225	719,706	878,441	707,748	667,654	471,993	248,632	471,993	53%
Telephone / Fax - Communications	400,983	129,045	682,622	154,800	715,305	149,496	342,394	161,994	211%
Equipment - Additional General			642,310	0					
Equipment - Computer			586,489	0	-	50,001	132,166	50,001	264%
Uniforms			586,444	0					
Vehicles Fuel	407,112	300,543	369,556	289,500	432,886	409,749	288,986	258,750	112%
Furniture - Housing Furniture			238,063	0	125,956	-	-	-	
Office - Materials			124,262	0					
Gas - Cooking Utilities			110,133	0					
Consultants Fees	0	150,000	105,000	150,000	598,000	212,499	307,750	212,499	145%

Office Cleaning	85,062	373,035	88,525	373,035	131,408	354,999	230,232	405,000	57%
Water Utilities	964,349	765,744	76,273	515,748	18,002	549,999	647,040	600,000	108%
Local Medical Treatment			62,500	24,999	23,733	73,827	37,195	140,085	27%
Vehicles Hire	352,455	63,558	60,000	63,558	1,064,356	62,499	333,340	124,998	267%
Equipment - Replacement General			41,778	0					
Vehicle - Additional Vehicle					1,066,667	-	2,086,958	-	
Electricity Utilities	2,003,224	1,577,010	36,183	1,577,010	24,011	624,999	22,183	449,997	5%
Local Accommodation	180,000	50,001	33,778	50,001	-	50,001	-	50,001	0%
Equipment Hire			25,000	0					
Postage - Communications	0	110,001	6,000	92,502	10,444	66,756	-	71,757	0%
International Accommodation	755,000	249,999	0	249,999	475,000	249,999	60,000	249,999	24%
Refunds	0	62,499	0	62,499					
International Organisation Fees	0	1,003,608	0	1,003,608	-	1,003,608	-	1,003,608	0%
International Travel	1,495,556	437,499	0	437,499	564,622	437,499	716,818	437,499	164%
Overhead expenses	0	11,030,898	0	0	-	-	-	-	
Other Fees	114,444	0					3,000	-	
V.B.T.C. Non Profit Institution							1,357,333	340,065	399%
Facilities Hire	115,500	0							
Advertising - Communications							1,719,515	-	
Termination Payment	387,329	0					1,335,589	-	
Furniture - Office Furniture									
Mail Carriage Freight									123%
General - Materials									
Other Rental									
M. P. Gratuity Allowances									
Transport - Freight									
Printing - Communications									
Bank Charges					8,000	-			
Other Suppliers									
Other									
<b>Total</b>	<b>143,736,349</b>	<b>116,849,233</b>	<b>105,441,199</b>	<b>117,560,165</b>	<b>149,163,368</b>	<b>115,692,413</b>	<b>190,618,137</b>	<b>115,361,181</b>	<b>165%</b>

Table 3)

### **(1). MP Allocations Allowances**

This CoA spent VT 60.2 million against its VT26million budget. Similarly in 2016 this CoA overspends as well the previous years its budget at Q1.Parliament consistently failed to budget adaequately for such known commitments.

### **MP REPRESENTATIONAL ALLOWANCES & Touring Allowances**

### **(2) V.B.T.C. Non Profit Institution**

VT1.3 million was expended on VBTC non profit institution against 0.3million budget for this time period. Interestingly, no budget nor expenditure has been charged for this account in all three previous years too.

### **(2). Unbudgeted Spending**

Total unbudgeted spending at the end of Q1 in 2017 stands at VT 9.7 million. Major unbudgeted items are International Medical treatment and Vehicle – Additional Vehicle mentioned above followed by Furniture – Housing Furniture and Bank Charges.

### **(3). Underspending**

A number of CoAs incurred underspending. Commendably, the large incidentals account with an annual budget of VT7.1million 0.7million of VT 10.4 for 2017 is underspent by VT 0.4 million for the first quarter as compared to its Q1 budget of VT 2.6 million. Notably also, Water utilities underspent by 0.5million and Electricity Utilities are underspent by VT 0.6 million. This is expected due to the installation of solar panels that directly provide electricity to the Parliamanet since late 2015.

### **3.6.2. Analysis**

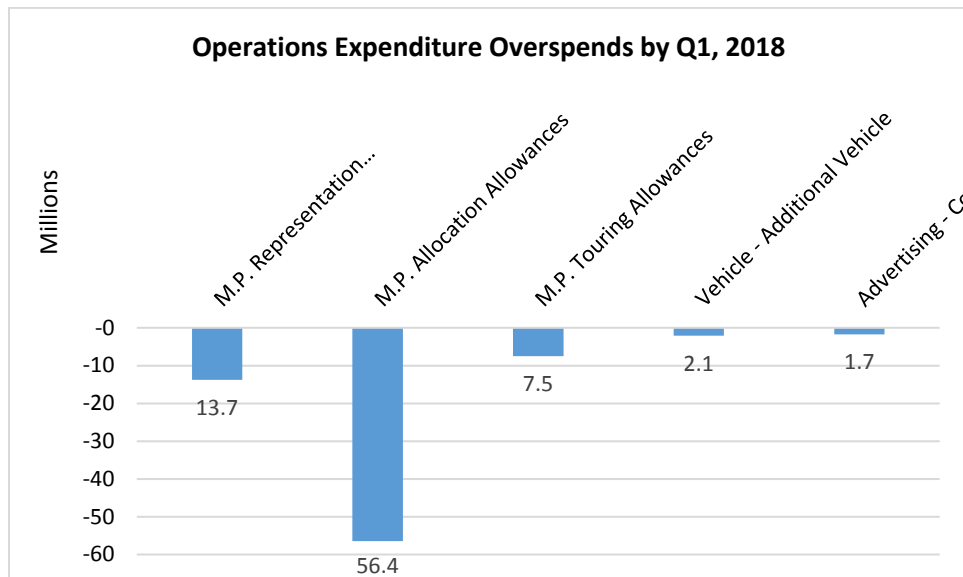
Overspending on most CoAs outlined above occurs on a regular basis – year by year. As by the end of the year the operations expenditures came in under budget for the last three years, it appears that reprioritization of expenditures and adjustment of cash flow are necessary steps to be taken to aid budget execution.

It is further worth noting that Parliament fails to adequately budget for new capital investments as well as maintenance of existing ones (e.g. vehicles and equipment). This is an issue across the GoV, but in case of vehicles related expenditure the Vehicle Fleet Management Committee are there to work together with respective sectors to tackle its costing. Having an adequate capital investment plan and related maintenance plan helps to anticipate the necessary, future budget for such purchases and strengthens planning.

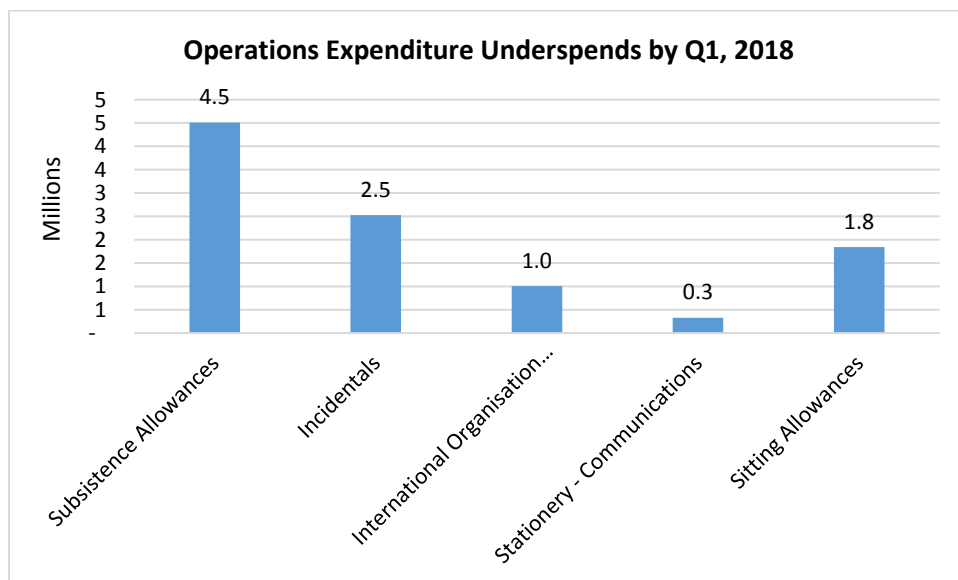
### **3.6.3. Recommendation**

- For the next budget, adjust cash flow profiles of expenditures adequately based on average actual expenditures of the previous years for these months
- For the next budget, reprioritise/reallocate funding across accounts based on average actual expenditures over the previous years

- Develop a capital investment and maintenance plan and budget to allow for improved planning and budget execution
- Reduce the significant budget for Incidentals and make sure to utilise adequate CoAs for expenditures incurred, unless absolutely necessary to code against Incidentals



**Figure 15** Major Operations Overspend by CoA



**Figure 16** Major Operations Underspend by CoA

Operations Expenditure Q1, 2015-2018									
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Expenditure as % of Budget
	2015	2015	2016	2016	2017	2017	2018	2018	2018
M.P. Representation Allowances	57,413,304	60,397,809	42,285,181	59,999,760	55,561,272	59,999,760	73,726,536	59,999,760	123%
M.P. Allocation Allowances	52,698,887	13,000,000	26,129,466	26,000,000	60,210,944	26,000,000	82,449,229	25,999,896	317%
M.P. Touring Allowances	10,380,292	10,919,955	7,551,067	10,749,957	10,045,464	10,749,957	18,279,352	10,749,957	170%
Court Costs			4,782,750	0					
Vehicles Repairs & Maintenance	495,626	664,563	3,498,723	557,502	569,320	525,000	403,166	525,000	77%
Value Added Tax	1,406,897	941,364	2,523,001	1,061,247	1,192,674	1,019,004	1,770,818	1,063,422	167%
Subsistence Allowances	6,431,959	3,902,016	2,405,000	4,737,480	2,283,800	4,912,482	400,000	4,912,482	8%
Incidentals	3,423,241	5,548,677	2,343,584	3,985,347	2,224,488	2,614,929	732,517	1,797,813	-41%
International Medical Treatment					8,505,000	-			
Local Travel	514,987	1,205,118	2,238,959	1,561,512	896,046	1,287,486	1,624,649	1,312,485	124%
Vehicle - Additional Vehicle			1,848,889	0					
Buildings Repairs & Maintenance	2,079,470	520,248	1,687,913	520,248	309,620	874,998	1,415,593	750,000	189%
Official Entertainment	418,666	274,998	1,202,460	274,998	810,956	373,605	1,016,619	659,853	154%
Stationery - Communications	441,781	502,350	1,118,849	548,106	563,740	755,766	424,561	750,765	57%
Sitting Allowances	214,000	1,948,989	1,072,000	1,811,502	64,000	1,811,502	29,000	1,811,502	-2%
Equipment Repairs & Maintenance	556,225	719,706	878,441	707,748	667,654	471,993	248,632	471,993	53%
Telephone / Fax - Communications	400,983	129,045	682,622	154,800	715,305	149,496	342,394	161,994	211%
Equipment - Additional General			642,310	0					
Equipment - Computer			586,489	0	-	50,001	132,166	50,001	264%
Uniforms			586,444	0					

Vehicles Fuel	407,112	300,543	369,556	289,500	432,886	409,749	288,986	258,750	112%
Furniture - Housing Furniture			238,063	0	125,956	-	-	-	
Office - Materials			124,262	0					
Gas - Cooking Utilities			110,133	0					
Consultants Fees	0	150,000	105,000	150,000	598,000	212,499	307,750	212,499	145%
Office Cleaning	85,062	373,035	88,525	373,035	131,408	354,999	230,232	405,000	57%
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Refunds	0	62,499	0	62,499					
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Other Fees	114,444	0					3,000	-	
V.B.T.C. Non Profit Institution							1,357,333	340,065	399%
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<b>Total</b>	<b>143,736,349</b>	<b>116,849,233</b>	<b>105,441,199</b>	<b>117,560,165</b>	<b>149,163,368</b>	<b>115,692,413</b>	<b>190,618,137</b>	<b>115,361,181</b>	<b>165%</b>

Table 3 Total Operations Expenditures by CoA

## 4. Revenue Management and Planning

### 4.1. Situation Report

At the end of Q1 2018, total revenues came in under budget with VT 500,000 million collected versus VT 702,800 million budgeted (

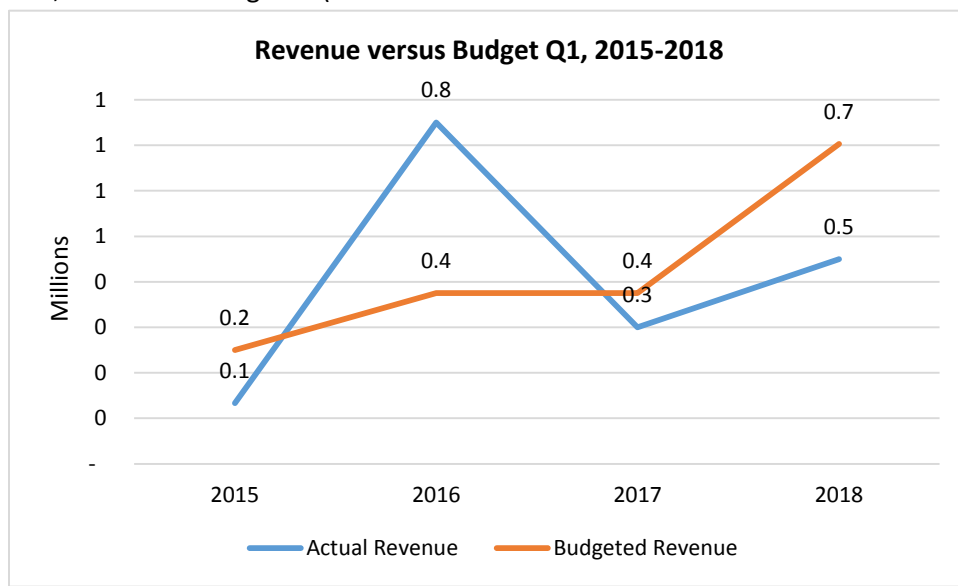


Figure 17). This means that 80% of planned revenues were collected (Figure 18). This is the third year, where a budget was allocated for revenues under the Parliament. Revenues are in line with previous collections for this time period.

In a monthly breakdown, February collections were particularly strong in 2018 with 480% of its budget collected (Figure 20). Revenue collections at the Parliament appear not to have any particular trend over the years (Figure 19).

The main and only source of revenues at the Parliament is Other Recoveries.

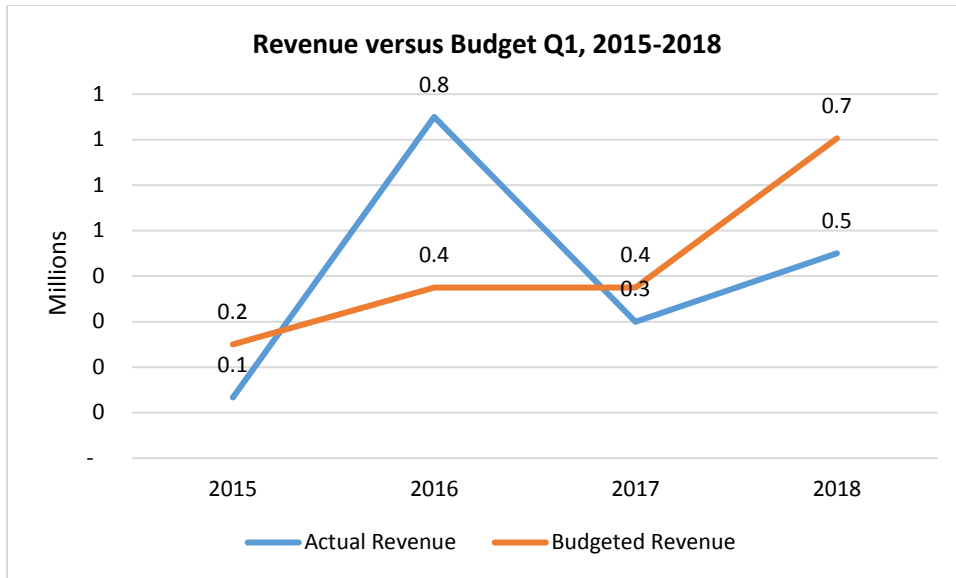
### 4.2. Analysis

It is interesting to note that the Parliament is collecting revenues in the first place. Revenues appear to perform well and constant over the past years. It is commendable that for 2017 and 2018 a budget has been assigned for the fourth time to revenue collections under the Parliament.

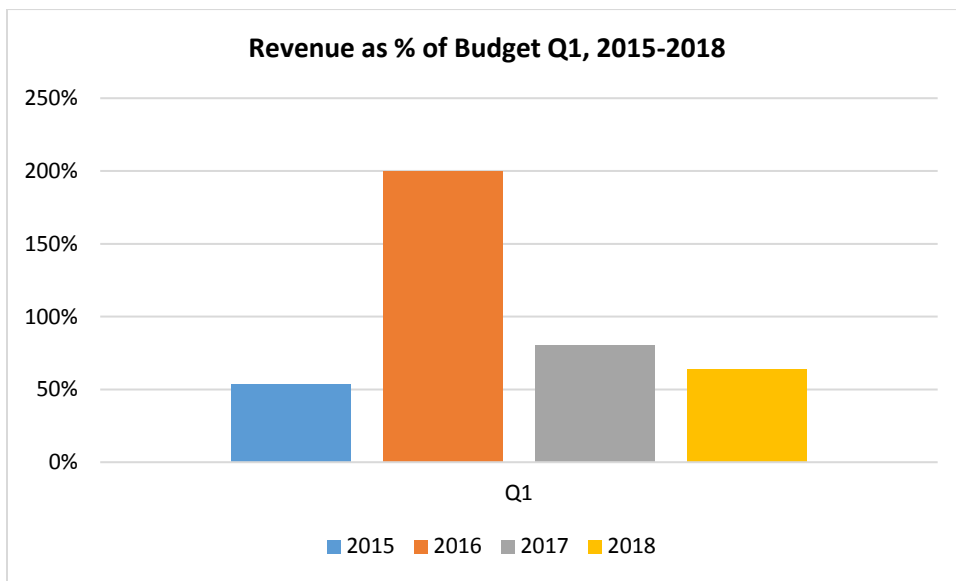
### 4.3. Recommendations

- Improvements to revenue forecasts for the coming budget are necessary based on previous years' performance and expected outturns
- Cash flow can be adjusted in a quarterly and monthly perspective





**Figure 17** Revenue versus Budget



**Figure 18** Revenue as % Budget by Quarter

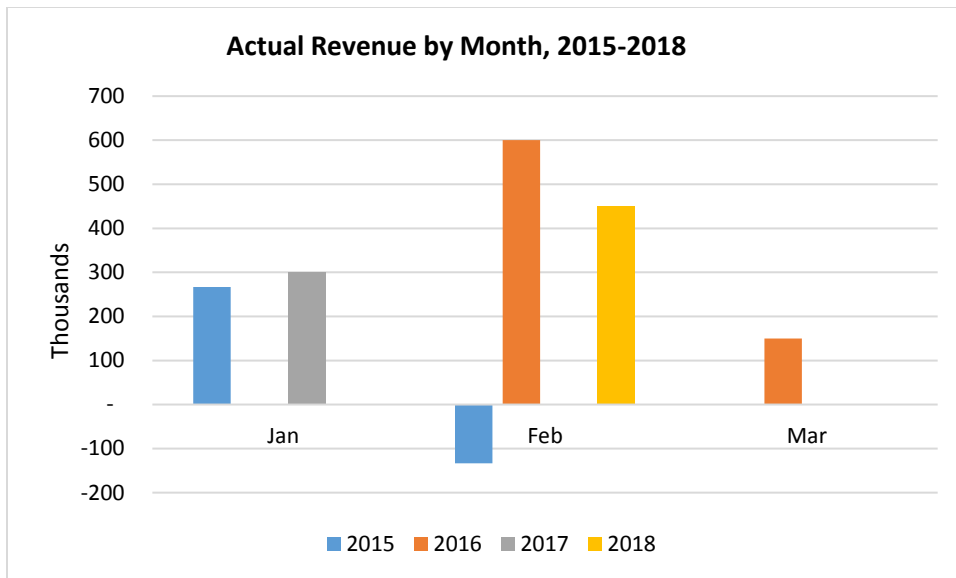


Figure 19 Actual Revenue by Month

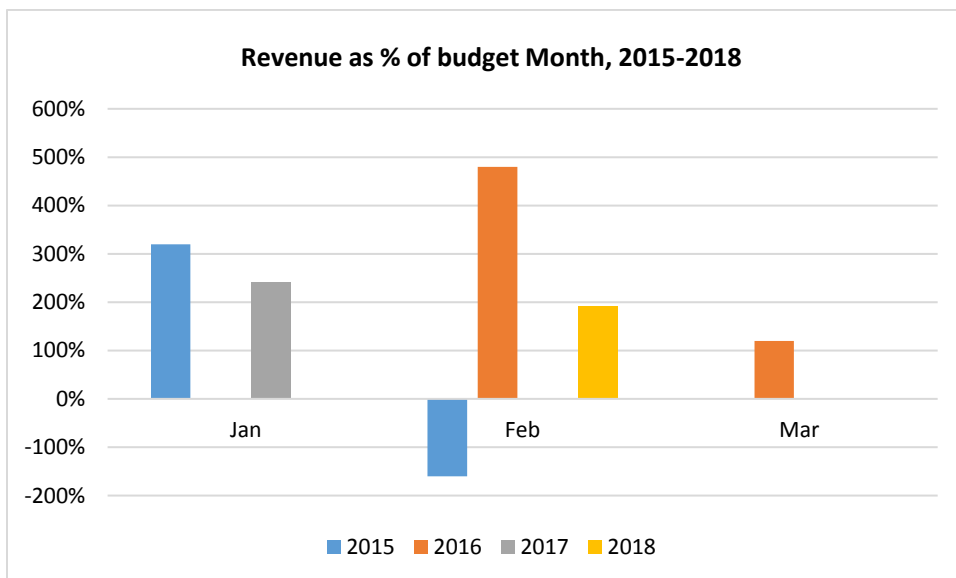


Figure 20 Revenue as % Budget by Month

## 5. Virements

### 5.1. Situation Report

Generally, the Parliament does not undertake many or large virements. Advance releases are a more widespread practice under the Parliament, as it regularly keeps expending more funds than budgeted for in any given time period. In Q1 2017, the Parliament undertook no virements similarly in 2016.

Comparatively both 2015 and 2014 saw one virement each in Q1 of VT 0.1million and 2.0 million respectively (Figure 21).<sup>2</sup>

Virements to date in the first quarter have only ever occurred from operations to payroll (Figure 22). Given the allocation of the budget between operations and payroll that is severely skewed towards the former, it is not surprising that virements are necessary to support spending on payroll;.

## 5.2. Analysis

In Q1 2016, the GoV was running on a supply bill, as the budget for 2016 had not been passed by Parliament in 2015. This meant that stricter expenditure controls were implemented that did not allow for virements outside of emergency needs and requests. Interestingly in Q1 2017 there have been no strict control but no virement needs arises.

Virements do not appear to be a large issue at the Parliament. Most striking is to note that if adjustments are made to fully budget for all posts under the Parliament, there will be no further need for most of these virements.

## 5.3. Recommendation

- Adjust payroll budget to cater for all permanent posts to abolish the need for virements from operations to payroll

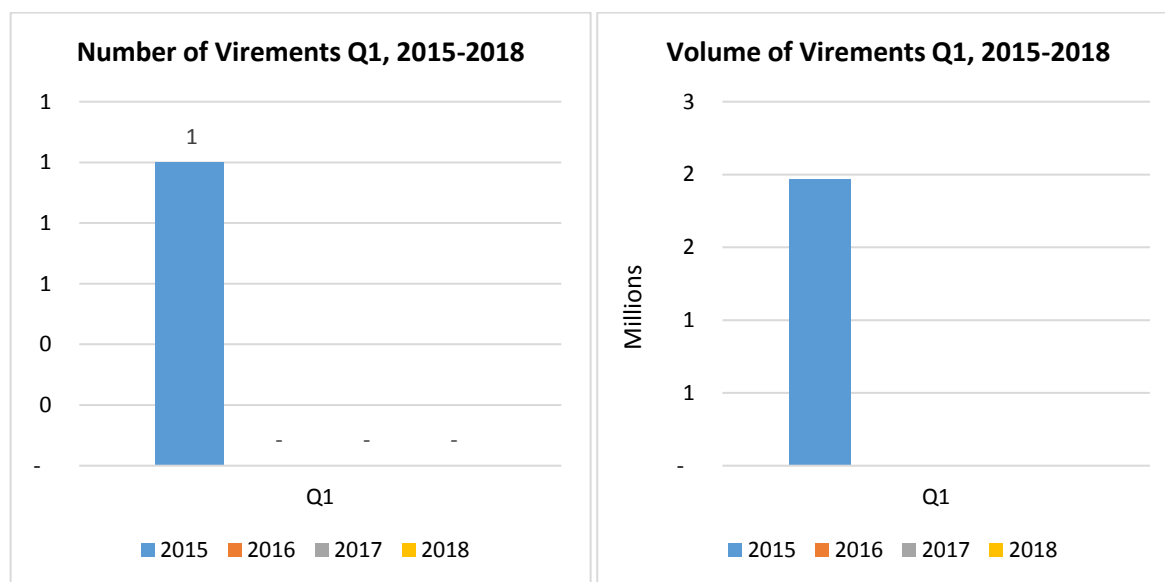
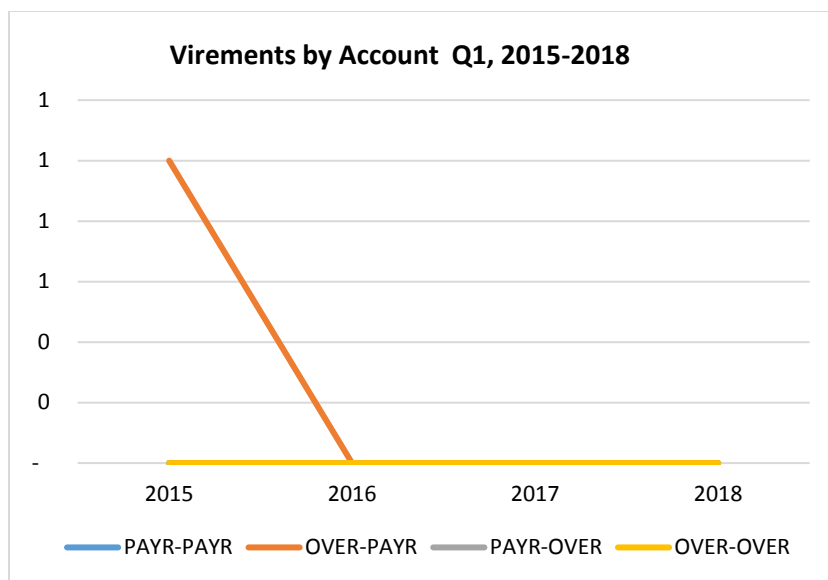


Figure 21 Total Number and Volume of Virements

<sup>2</sup> Dates used to classify virements are based on the date that the virements was released by Budget Section, DOFT.



**Figure 22** Total Number of Virements across Categories