

## OFFICE OF THE PUBLIC SOLICITOR

### INTRODUCTION AND KEY FINDINGS

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

Article 5 (2) of the Constitution states that

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

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

Article 56 of the Constitution states that

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

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

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

**This is the Expenditure Report for Quarter One of 2018 for the Office of the Public Solicitor.**

### SUMMARY OF KEY FINDINGS

Area	Finding
<b>Budget Management and Planning</b>	Analysis shows that the office of the Public Solicitor (OPS) had an allocated 2018 annual budget of VT 63,383,618. The OPS had already spent 21.2 percent of the annual budget and with that current rate of spending, it is most likely that the OPS will not be able to spend all its budget by the end of the year.
<b>Activity and Cost Centre Management and Planning</b>	The Office of the Public Solicitor have only one cost center ( Cost center 13AA) and the budget was underspent by 2.4 percent of its first quarter budget or by VT 335,306.
<b>Payroll Budget Management and Planning</b>	The first quarter budget for payroll for 2018 was VT 9,310,815 and total expenditure was VT 11,674,884. The OPS had overspent on its payroll budget by 25.4 percent or by VT 2.4 million in the first quarter of the year.
<b>Operation Budget Management and Planning</b>	The first quarter budget for operation for 2018 was VT 4,488,191 and total expenditure was VT 1,788,816. The OPS had underspent on its operation budget by 60.1 percent or by VT 2.7 million in the first quarter of the year.
	Total expenses of unbudgeted items for the first quarter of 2018 was VT 2.8 million. This is about VT 1.7 million more than the first quarter of 2017. Major unbudgeted expenses items were from permanent wages VT 2.7 million and provident fund VT 96,714.

<b>Detailed Charts of Accounts In Payroll Expenditure Management and Planning</b>	The total underspent for the first quarter of 2018 was VT 465,210. This is about VT 1/2 million more than in 2017 in the same period. Major underspent expense items were contract wages VT 272,931 and home island passage allowance VT 150,000.
<b>Detailed Chart of Accounts in Operation Expenditure Management and Planning</b>	<p>Total expenses of unbudgeted items in the first quarter of 2018 was VT 3.7 million. This is a about 2.8 million more than in 2017 in the same period. Major unbudgeted expenses items were from vehicle repalcement VT 3 million, building repairs &amp; maintenance VT 579,047 and equipment replacement VT 104,782.</p> <p>Total underspent in the first quarter of 2018 was VT 6.4 million. This is about VT 3.2 million more that in 2017 in the same period. Major underspent expenses items were stationaries VT 1.5 million, vehicle repairs and maintenance VT 916,614, office materials VT 457,120, equipment-computer softwares VT 444,4441 million and equipment computer VT 427,274.</p>
<b>Current Revenue Planning and Management</b>	<p>The OPS collected VT 231,701 revenue in the first quarter of 2018 compared to VT 182,800 in the same period last year, 2017.</p> <p>The OPS had an annual revenue target of VT 1,012,176 and had already collected 22.9 percent of that revenue target in the first quarter.</p>
<b>Asset Management</b>	The OPS had a budget of VT240,000 for assets in the first quarter but had spent VT2.4 million. OPS needs to check asset status before prepaing budget.
<b>Virements</b>	No virement processed in the first quarter of 2018 nor in the past three years in the same period.
<b>Imprest Management</b>	At the end of the first quarter of 2018, the OPS had no outstanding imprest to reitre.

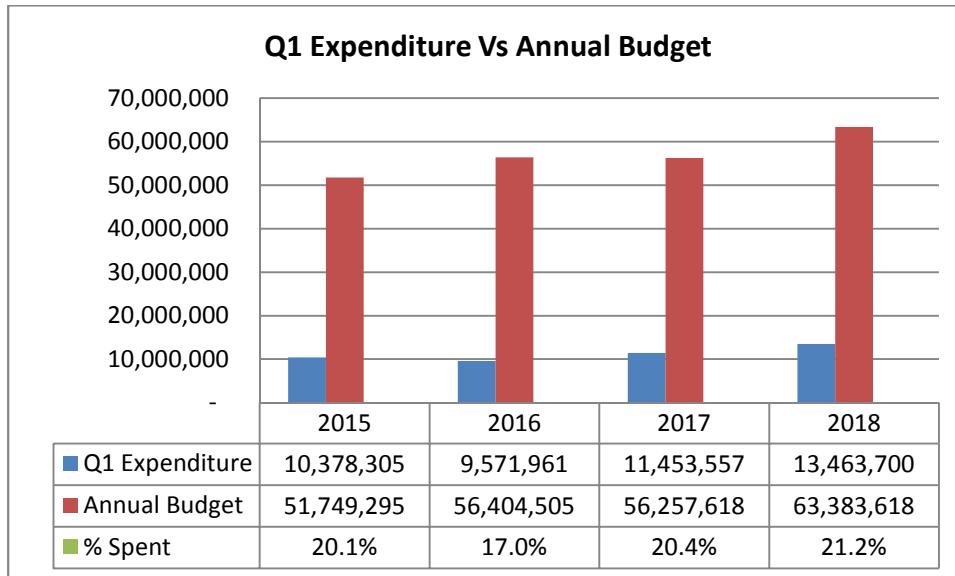
## FINANCIAL MANAGEMENT ASSESSMENT

### 1. BUDGET PERFORMANCE

#### 1.1 Overall Budget Management and Planning

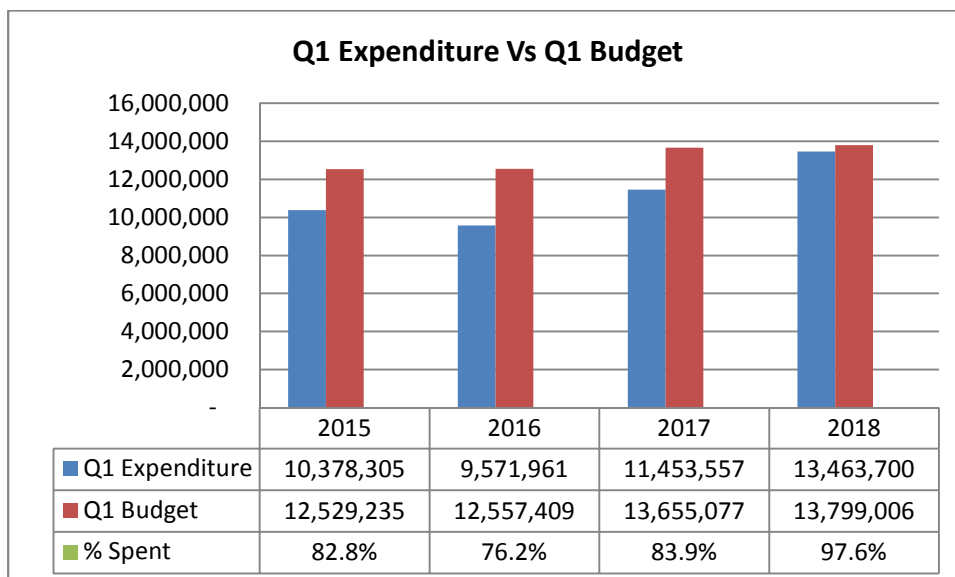
Analysis shows that the office of the Public Solicitor (OPS) had an allocated 2018 annual budget of VT 63,383,618. The OPS had already spent 21.2 percent of the annual budget and with that current rate of spending, it is most likely that the OPS will not be able to spend all its budget by the end of the year.

Figure 1: Expenditure Vs Budget



The above graph shows the expenditures in quarter one against the annual budget for 2018 and the past three years in the same period.

Figure 2: Quarter one Expenses Vs Quarter one Budget



The graph above shows the expenditures in the first quarter against the first quarter budget allocations and for 2018 and the past three years in the same period.

## 1.2 Activity and Cost center management and planning

The Office of the Public Solicitor have only one cost center ( Cost center 13AA) and the budget was underspent by 2.4 percent of its first quarter budget or by VT 335,306.

**Table 1: Cost centers budget and expenditures**

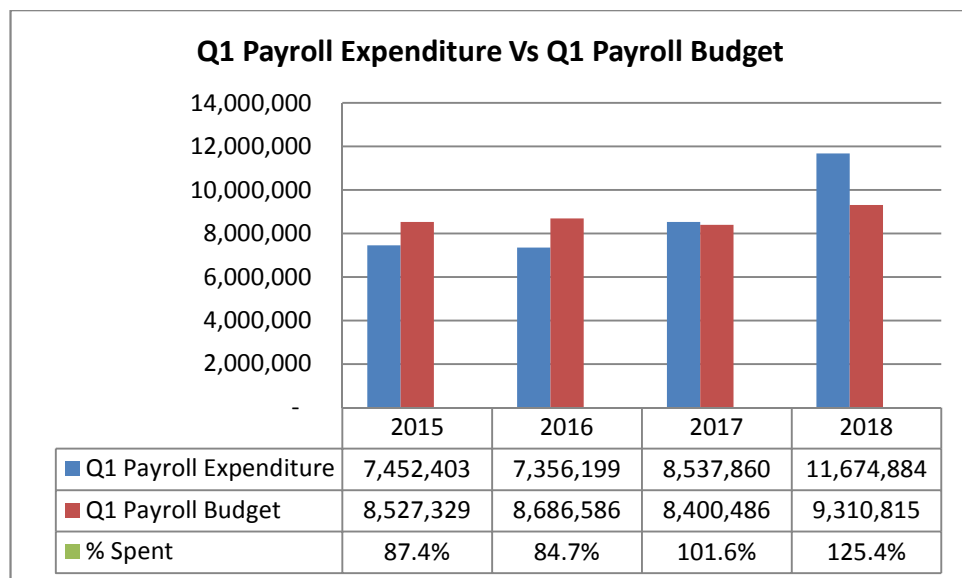
Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
<b>13AA</b>	<b>Office Administration</b>					
	<b>Personnel Expenses</b>	<b>11,674,884</b>	<b>-</b>	<b>11,674,884</b>	<b>9,310,815</b>	<b>(2,364,069)</b>
	<b>Operating Expenses</b>	<b>(534,526)</b>	<b>2,323,342</b>	<b>1,788,816</b>	<b>4,488,191</b>	<b>2,699,375</b>
<b>13AA</b>	<b>Office Administration</b>	<b>11,140,358</b>	<b>2,323,342</b>	<b>13,463,700</b>	<b>13,799,006</b>	<b>335,306</b>
	<b>Total Expenditure</b>	<b>11,140,358</b>	<b>2,323,342</b>	<b>13,463,700</b>	<b>13,799,006</b>	<b>335,306</b>

Source: Department of Finance & Treasury

## 1.3. Payroll Budget Management and Planning

The first quarter budget for payroll for 2018 was VT 9,310,815 and total expenditure was VT 11,674,884. The OPS had overspent on its payroll budget by 25.4 percent or by VT 2.4 million in the first quarter of the year.

**Figure 3: Payroll Expenditure Vs Payroll Budget**



The above graph shows payroll expenditure versus payroll budget for the first quarter of 2018 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 2015 to 2018 in the first quarter of the year. The highlighted yellow are expenses against no allocated budget, the highlighted green are overspent chart of accounts.

**Table 2: Payroll Chart of accounts 2015-2018**

Account	Description	2015 Expenditure	2015 Budget	2016 Expenditure	2016 Budget	2017 Expenditure	2017 Budget	2018 Expenditure	2018 Budget	2018 % Spent
	<b>Personnel Expenses</b>									
8AAA	Acting Allowances					-	14,646	-	34,635	0.0%
8AAB	Responsibility Allowance			5,476	-			-	7,644	0.0%
8AAF	Family Allowance	74,208	126,905	70,527	112,183	-	101,022			
8AAH	Housing Allowances	552,129	825,517	501,133	847,061	-	830,841	-	150,000	0.0%
8AAO	Other Allowances	10,000	-	800	8,180	5,000	-			
8AAP	Home Island Passage Allowances	78,360	48,277	92,302	200,996	110,137	176,031			
8AAS	Special Allowances	15,000	19,310	-	9,535					
8ASP	Provident Fund	261,416	294,366	260,080	293,789	323,955	284,370	449,052	352,338	127.4%
8AWC	Contract Wages							-	272,931	0.0%
8AWP	Permanent Wages	6,461,290	7,212,954	6,425,881	7,214,842	8,098,768	6,993,576	11,225,832	8,493,267	132.2%
PAYR	Payroll expenses	-	-	-	-	-	-	-	-	
	<b>Personnel Expenses</b>	<b>7,452,403</b>	<b>8,527,329</b>	<b>7,356,199</b>	<b>8,686,586</b>	<b>8,537,860</b>	<b>8,400,486</b>	<b>11,674,884</b>	<b>9,310,815</b>	<b>125.4%</b>

Source: Department of Finance & Treasury

### Unbudgeted Items

Total expenses of unbudgeted items for the first quarter of 2018 was VT 2.8 million. This is about VT 1.7 million more than the first quarter of 2017. Major unbudgeted expenses were from permanent wages VT 2.7 million and provident fund VT 96,714.

OPS still needs to request for payroll amendment as extra funds to cater for GRT new salary scale is held in period 12 thus causing the overspent in payroll.

### Underspent Items

The total underspent for the first quarter of 2018 was VT 465,210. This is about VT 1/2 million more than in 2017 in the same period. Major underspent expense items were contract wages VT 272,931 and home island passage allowance VT 150,000.

Figure 4: Payroll 2018 first quarter of the year overspent chart of accounts

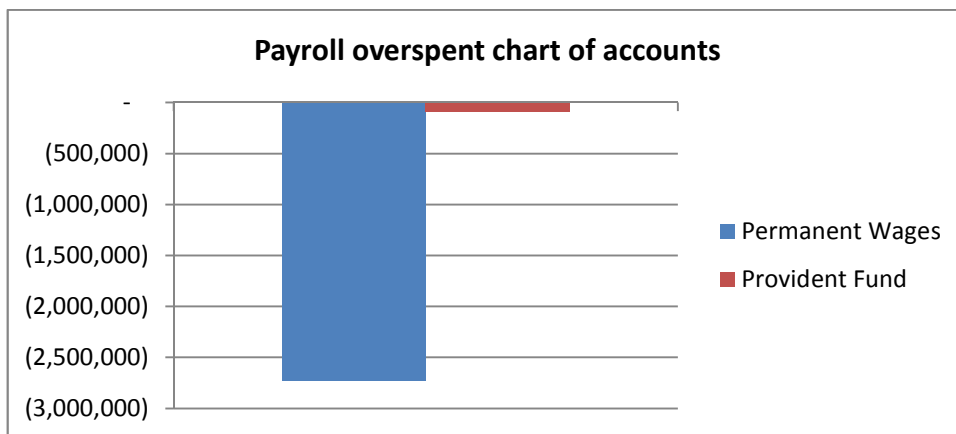
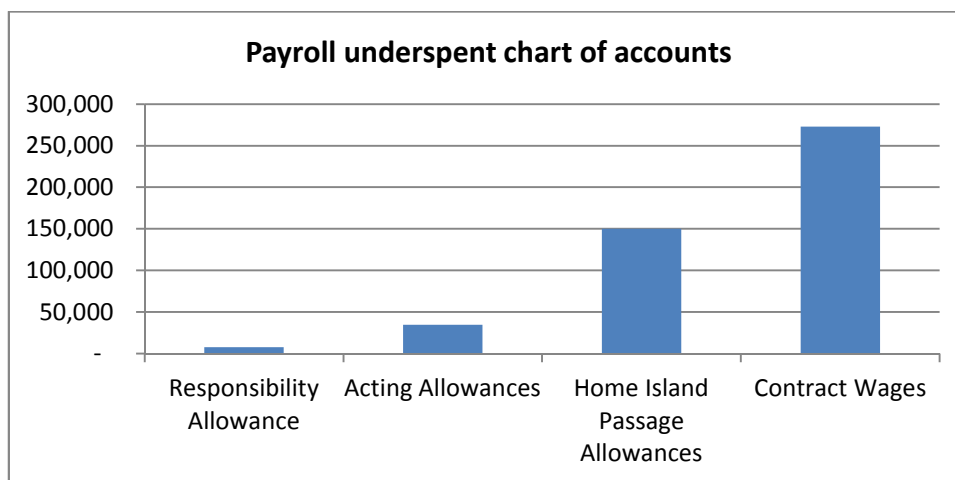


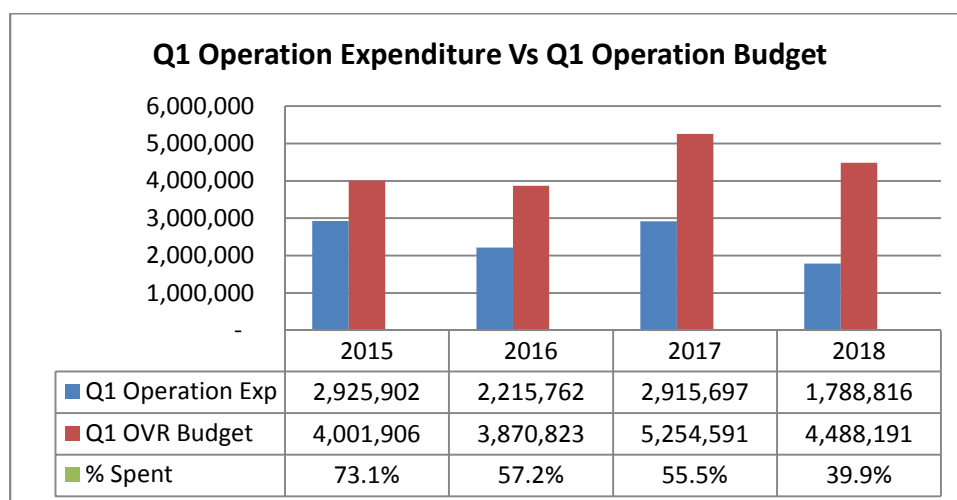
Figure 5: Payroll 2018 first quarter of the year underspent chart of accounts



### 1.5. Operation Budget Management and Planning

The first quarter budget for operation for 2018 was VT 4,488,191 and total expenditure was VT 1,788,816. The OPS had underspent on its operation budget by 60.1 percent or by VT 2.7 million in the first quarter of the year.

Figure 6: Operation Expenditure Vs Operation Budget



The above graph shows operation expenditure versus operation budget in the first quarter of 2018 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 2015 to 2018 in the first quarter of the year. The highlighted yellow are expenses against no allocated budget, the highlighted green are overspent chart of accounts.

**Table 3: Operation Chart of accounts 2016-2018**

Account	Description	2015 Expenditure	2015 Budget	2016 Expenditure	2016 Budget	2017 Expenditure	2017 Budget	2018 Expenditure	2018 Budget	2018 % Spent
	<b>Operating Expenses</b>									
8CAB	Subsistence Allowances	600,000	450,000	462,000	433,500	108,000	690,000	288,000	630,000	45.7%
8CAP	Repatriation Allowances	-	24,000							
8CEC	Consultants Fees	10,000	50,001	-	30,000	-	30,000	(50,000)	36,000	-138.9%
8CEM	Software Maintenance Fees	-	60,000	-	30,000	-	30,000	(100,000)	30,000	-333.3%
8CET	Other Fees	-	12,501	-	15,000	-	6,000	-	6,000	0.0%
8CFV	Vehicles Fuel	202,665	255,000	266,483	178,500	161,064	214,401	(6,070)	280,002	-2.2%
8CGM	Mail Carriage Freight	6,301	-	-	3,000					
8CGO	Other Charges - Freight			-	3,000	4,444	6,000	-	-	
8CGR	Transport - Freight	-	30,000	-	15,000	20,000	15,000	58,747	60,000	97.9%
8CGS	Storage - Freight					6,675	-			
8CHL	Local Medical Treatment	-	6,000	-	6,000	-	15,000	-	45,000	0.0%
8CIB	Boat Hire			5,000	-	-	150,000	-	60,000	0.0%
8CIE	Equipment Hire	234,667	70,401	-	60,000	-	30,000	-	15,000	0.0%
8CIF	Facilities Hire	1,500	15,000	-	1,500	-	15,000	-	9,000	0.0%
8CIV	Vehicles Hire	-	4,500							
8CJO	Office Cleaning	106,455	75,000	41,483	60,000	91,547	75,000	87,953	75,000	117.3%
8CKD	Advertising - Communications	32,266	15,000	-	15,000	-	15,000	-	21,000	0.0%
8CKP	Postage - Communications	38,604	18,000	-	15,000	-	15,000	-	12,000	0.0%
8CKR	Printing - Communications	213,333	135,000	5,777	75,000	479,955	120,000	49,794	135,000	36.9%
8CKS	Stationery - Communications	532,712	255,000	201,416	210,000	198,233	240,000	(1,213,119)	240,000	-505.5%
8CKT	Telephone / Fax - Communications	26,667	150,000	(10,000)	118,200	160,000	114,000	(159,998)	96,000	-166.7%
8CMG	General - Materials	-	15,000							
8CMO	Office - Materials	-	15,000	7,195	15,000	18,911	15,000	(442,120)	15,000	-2947.5%
8CNO	Office Rental	586,666	479,997	533,332	413,331	159,999	576,000	156,519	192,000	81.5%
8COC	Court Costs	(1,500,000)	300,000	-	300,000	-	390,000	-	300,000	0.0%
8COI	Incidentals	17,503	38,609	11,777	36,135	61,536	45,000	1,739	33,000	5.3%
8COP	Official Entertainment	8,977	30,000	8,595	21,000	15,093	30,000	14,790	30,000	49.3%
8COT	Termination Payment	-	90,000	-	60,000	-	105,000	-	105,000	0.0%
8COU	Uniforms			-	22,500	-	18,000	-	15,000	0.0%
8CRB	Buildings Repairs & Maintenance	78,924	165,000	498	150,000	95,192	240,000	722,747	143,700	503.0%

8CRE	Equipment Repairs & Maintenance	26,792	45,000	154,621	45,000	47,289	60,000	68,328	75,000	91.1%
8CRM	Maintenance Contrac	68,667	110,400	-	110,400	-	105,000	-	96,000	0.0%
8CRV	Vehicles Repairs & Maintenance	107,674	90,000	94,067	93,000	393,795	150,000	(706,614)	210,000	-336.5%
8CTL	Local Travel	690,075	300,000	87,468	390,000	121,585	600,000	296,249	510,000	58.1%
8CUE	Electricity Utilities	349,143	287,499	7,289	349,998	139,355	420,000	32,435	300,000	10.8%
8CUW	Water Utilities	-	15,000	-	17,500	-	25,000	-	12,500	0.0%
8CWL	Local Workshops	-	-	-	15,000	-	9,000	-	9,000	0.0%
8CZV	Value Added Tax	414,303	274,998	176,185	336,759	304,761	506,190	303,694	451,989	67.2%
8EEA	Equipment - Additional General	20,897	45,000	13,244	66,000	-	15,000	-	60,000	0.0%
8EEC	Equipment - Computer	-	45,000	106,666	72,000	188,434	60,000	(352,274)	75,000	-469.7%
8EEP	Equipment - Photocopiers	-	-	-	-	45,611	-	-	60,000	0.0%
8EER	Equipment - Replacement General	-	15,000	-	73,500	94,218	75,000	134,782	30,000	449.3%
8EET	Equipment - Computer Software Purchases	-	-	-	-	-	-	(444,444)	-	-
8EFO	Furniture - Office Furniture	51,111	15,000	42,666	15,000	-	30,000	4,200	15,000	28.0%
8EVR	Vehicle - Replacement	-	-	-	-	-	-	3,043,478	-	-
OVER	Overhead expenses	-	-	-	-	-	-	-	-	-
	<b>Operating Expenses</b>	<b>2,925,902</b>	<b>4,001,906</b>	<b>2,215,762</b>	<b>3,870,823</b>	<b>2,915,697</b>	<b>5,254,591</b>	<b>1,788,816</b>	<b>4,488,191</b>	<b>39.9%</b>

Source: Department of Finance & Treasury

### Unbudgeted Items

Total expenses of unbudgeted items in the first quarter of 2018 was VT 3.7 million. This is a about 2.8 million more than in 2017 in the same period. Major unbudgeted expenses items were from vehicle repalcement VT 3 million, building repairs & maintenance VT 579,047 and equipment replacement VT 104,782.

### Underspent Items

Total underspent in the first quarter of 2018 was VT 6.4 million. This is about VT 3.2 million more that in 2017 in the same period. Major underspent expenses items are stationaries VT 1.5 million, vehicle repairs and maintenance VT 916,614, office materials VT 457,120, equipment-computer softwares VT 444,4441 million and equipment computer VT 427,274.

Underspent had increased by 100 percent from the same period in 2017. This is due to the overspent payroll that locks up the operation funds. Payroll overspent needs to be corrected so that operation funds can be accessed and expended.



Figure 7: Operation over spent chart of accounts

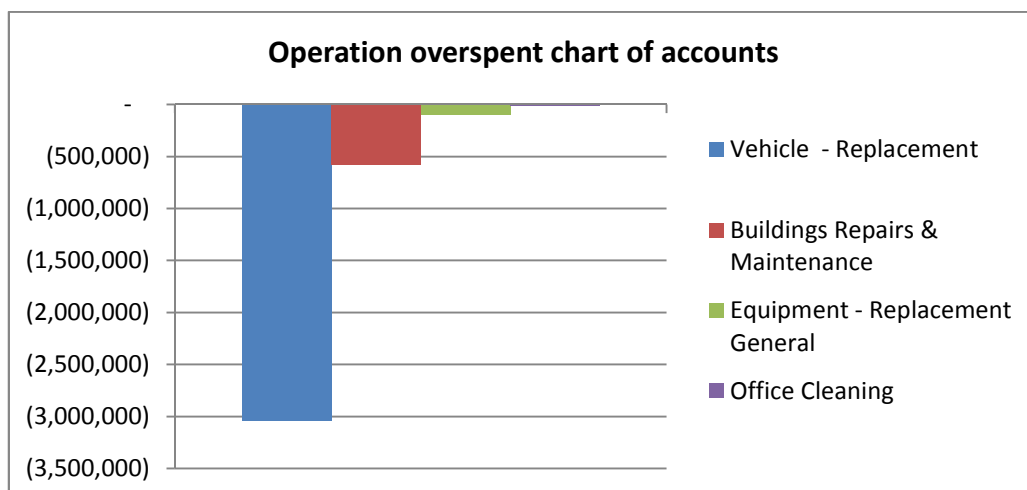
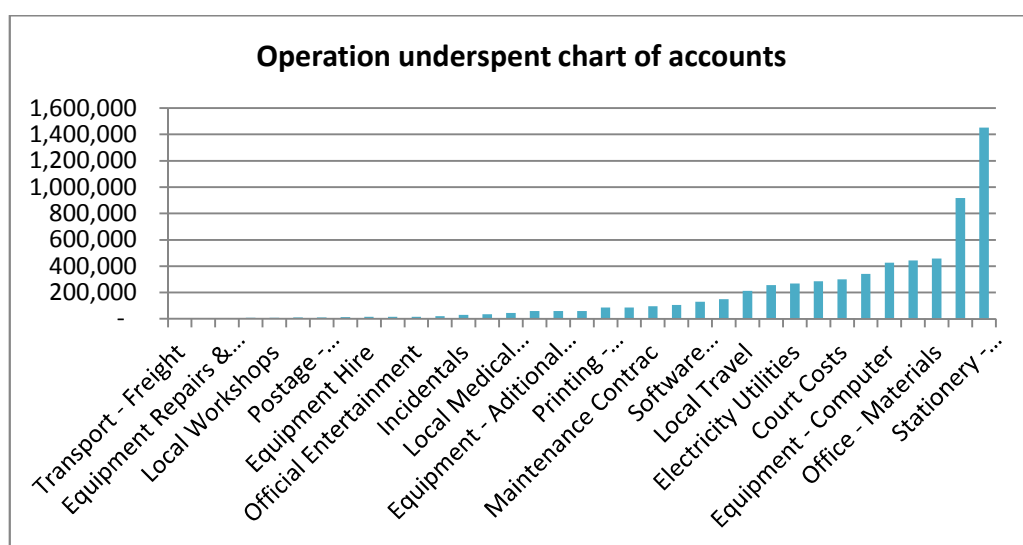


Figure 8: Operation under spent chart of accounts



## REVENUE PLANNING AND MANAGEMENT

The OPS collected VT 231,701 revenue in the first quarter of 2018 compared to VT 182,800 in the same period last year, 2017.

Table 4: Revenue 2015-2018

Year	Revenue	Budget	Over/(Under)	Cash Received
2015	263,625	150,000	113,625	264,625
2016	171,400	150,000	21,400	171,400
2017	182,800	208,000	(25,200)	182,800
2018	230,701	253,044	(22,343)	231,701

Source: Department of Finance & Treasury

The OPS had an annual revenue target of VT 1,012,176 and had already collected 22.9 percent of that revenue target in the first quarter.

## **ASSET MANAGEMENT**

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The OPS had a budget of VT240,000 for assets in the first quarter but had spent VT2.4 million. OPS needs to check asset status before preparing budget.

## **VIREMENT**

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No virement processed in the first quarter of 2018 nor in the past three years in the same period.

## **IMPREST MANAGEMENT**

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At the end of the first quarter of 2018, the OPS had no outstanding imprest to reitre.