

# OFFICE OF THE OMBUDSMAN

## INTRODUCTION AND KEY FINDINGS

The Office of the Ombudsman has four objectives articulated in its 2017 Business Plan:

1. Effective and Prompt investigation of complaints and reduction of backlogs.
2. Monitoring and enforcement of multilingualism.
3. Progressing an effective outreach Program to build a good working relationship with Government agencies & state institutions, NGOs and the general public.
4. Improve management of the human, physical and financial resources of the Ombudsman's Office.

This is the Expenditure Report for Quarter One of 2018 for the Office of the Ombudsman.

## SUMMARY OF KEY FINDINGS

Area	Finding
<b>Budget Management and Planning</b>	Analysis shows that the Office of the Ombudsman had an allocated 2018 annual budget of VT 39,003,195. The Office had already spent 23.3 percent of the annual budget and with that current rate of spending, it is most likely that the Office will spent within its budget by the end of the year.
<b>Activity and Cost Centre Management and Planning</b>	The Office of the Ombudsman have only one cost ( Cost center 390) and the budget was overspent by 7.9 percent of its first quarter budget or by VT 669,126.
<b>Payroll Budget Management and Planning</b>	The first quarter budget for payroll for 2018 was VT 6,875,595 and total expenditure was VT 6,925,226. The Office had overspent on its payroll budget by 0.7 percent or by VT 49,631 in the first quarter of the year.
<b>Operation Budget Management and Planning</b>	The first quarter budget for operation for 2018 was VT 1,559,625 and total expenditure was VT 2,179,120. The Office had overspent on its operation budget by 39.7 percent or by VT 619,495 in the first quarter of the year.
<b>Detailed Charts of Accounts In Payroll Expenditure Management and Planning</b>	<p>Total expenses of unbudgeted items for the first quarter of 2018 was VT 982,844. This is about VT 600,000 more than the first quarter of 2017. Major unbudgeted expenses items were from permanent wages VT 763,045 and contract wages VT 144,508.</p> <p>The total underspent for the first quarter of 2018 was VT 933,213. This is about VT 1.3 million less than in 2017 in the same period.</p>
<b>Detailed Chart of Accounts in Operation Expenditure Management and Planning</b>	Total expenses of unbudgeted items in the first quarter of 2018 was VT 1.6 million. This is a about 1.5 million more than in 2017 in the same period. Major unbudgeted expense items were from incidentals VT 702,570, equipment VT337,275, printing VT 124,131 and computer VT 121,735.

	Total underspent in the first quarter of 2018 was VT943,738. This is about VT 240,000 more than in 2017 in the same period. Major underspent expenses items were electricity VT 276,590 and other rental VT 186,000..
<b>Current Revenue Planning and Management</b>	The Office did not budget or collected any revenue in the first quarter of 2018 or in the last three years in the same period.
<b>Asset Management</b>	The Office had spent VT459,100 against a zero budget in this quarter. Asset status should be checked before preparing budget.
<b>Virements</b>	There was no virement processed in the first quarter of 2018 and in the past two years in the same period. The last virement processed in the same quarter was in 2015.
<b>Imprest Management</b>	At the end of the first quarter of 2018, the Office had a total of VT100,000 outstanding imprest to reitre.

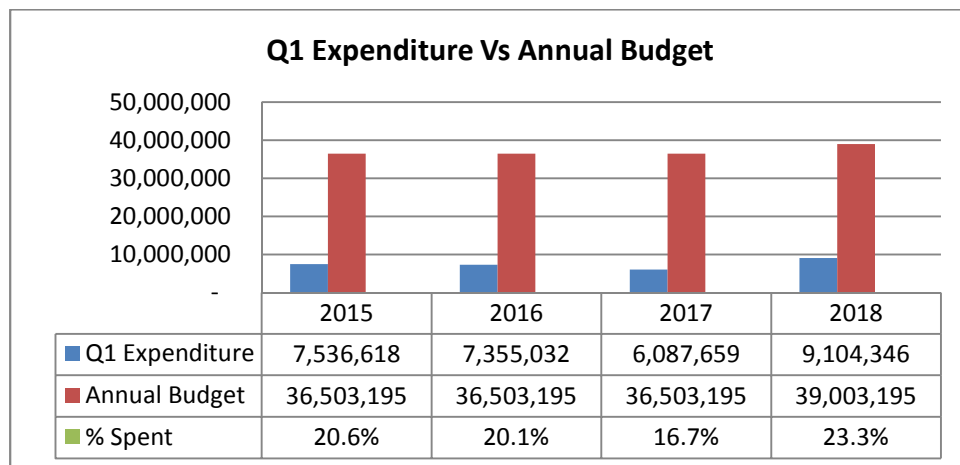
## FINANCIAL MANAGEMENT ASSESSMENT

### 1. BUDGET PERFORMANCE

#### 1.1 Overall Budget Management and Planning

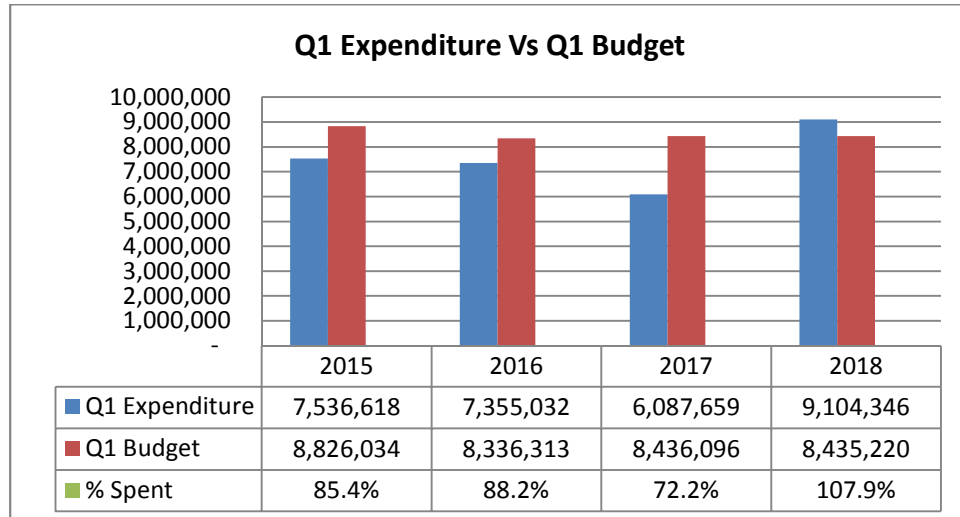
Analysis shows that Office of the Ombudsman had an allocated 2018 annual budget of VT 39,003,195. The Office had already spent 23.3 percent of the annual budget and with that current rate of spending, it is most likely that the Office will spent within its budget by the end of the year.

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 Ombudsman have only one cost ( Cost center 390) and the budget was overspent by 7.9 percent of its first quarter budget or by VT 669,126.

**Table1: Cost centers budget and expenditures**

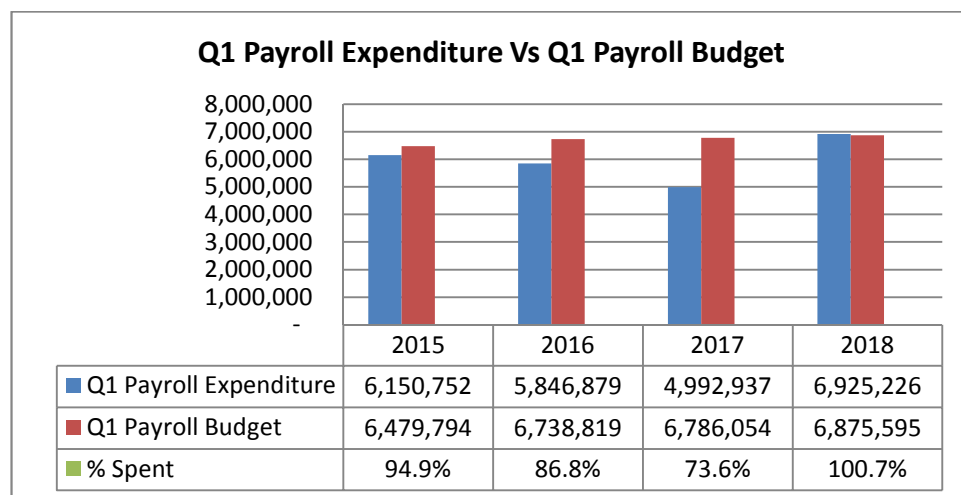
Cost Centre	Description	Actual	Commitment	Total	Budget	Under/(Over)
03AA	Office of the Ombudsman					
	Personnel Expenses	6,921,546	3,680	6,925,226	6,875,595	(49,631)
	Operating Expenses	534,095	1,645,025	2,179,120	1,559,625	(619,495)
03AA	Office of the Ombudsman	7,455,641	1,648,705	9,104,346	8,435,220	(669,126)
	Total Expenditure	7,455,641	1,648,705	9,104,346	8,435,220	(669,126)

Source: Department of Finance & Treasury

## 1.3. Payroll Budget Management and Planning

The first quarter budget for payroll for 2018 was VT 6,875,595 and total expenditure was VT 6,925,226. The Office had overspent on its payroll budget by 0.7 percent or by VT 49,631 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 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	(4,000)	-	379,277	-	261,744	-	-	171,675	0.0%
8AAB	Responsibility Allowance	59,510	-			33,115	-			
8AAF	Family Allowance	125,488	144,828	101,016	145,839	99,360	144,000			
8AAG	Gratuitie Allowances					-	-			
8AAH	Housing Allowances	632,937	778,084	603,266	771,262	413,988	692,310	-	761,538	0.0%
8AAO	Other Allowances	-	3,620	-	3,505			45,000	-	
8AAP	Home Island Passage Allowances	-	19,310	-	18,697			10,500	-	
8AAS	Special Allowances	-	22,182	-	21,478					
8ASP	Provident Fund	212,221	249,355	201,674	228,802	177,694	234,375	254,946	235,155	108.4%
8AWC	Contract Wages					77,040	-	144,508	-	
8AWP	Permanent Wages	5,124,596	6,063,285	4,561,646	5,549,236	3,929,996	5,715,369	6,470,272	5,707,227	113.4%
PAYR	Payroll expenses	-	(800,870)	-	-	-	-	-	-	
	<b>Personnel Expenses</b>	<b>6,150,752</b>	<b>6,479,794</b>	<b>5,846,879</b>	<b>6,738,819</b>	<b>4,992,937</b>	<b>6,786,054</b>	<b>6,925,226</b>	<b>6,875,595</b>	<b>100.7%</b>

Source: Department of Finance & Treasury

### Unbudgeted Items

Total expenses of unbudgeted items for the first quarter of 2018 was VT 982,844. This is about VT 600,000 more than the first quarter of 2017. Major unbudgeted expense items were from permanent wages VT 763,045 and contract wages VT 144,508.

Permanent wages expenses was expected to increase compared to 2017 in the same period due to new recruitment and new GRT salary scales.

### Underspent Items

The total underspent for the first quarter of 2018 was VT 933,213. This is about VT 1.3 million less than in 2017 in the same period.

Housing allowances was one of the main underspent expense item due to the cease of payment of this allowance at the beginning of 2018.

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

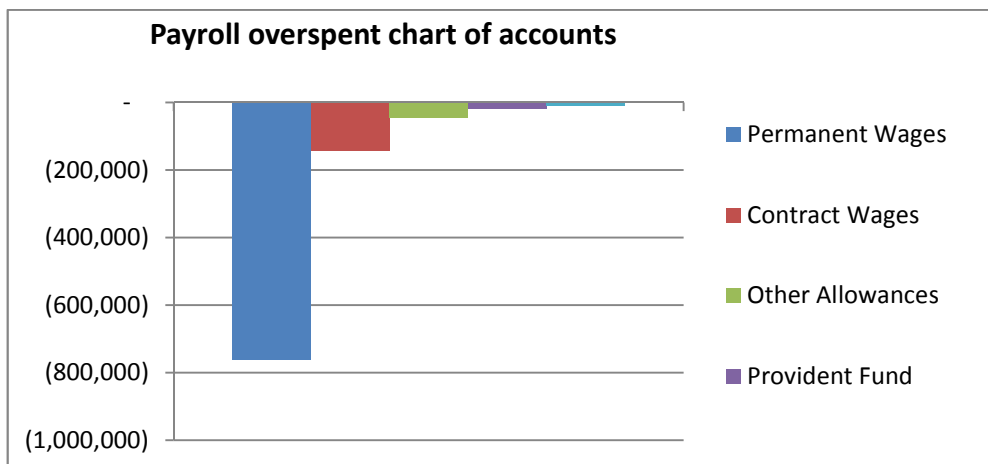
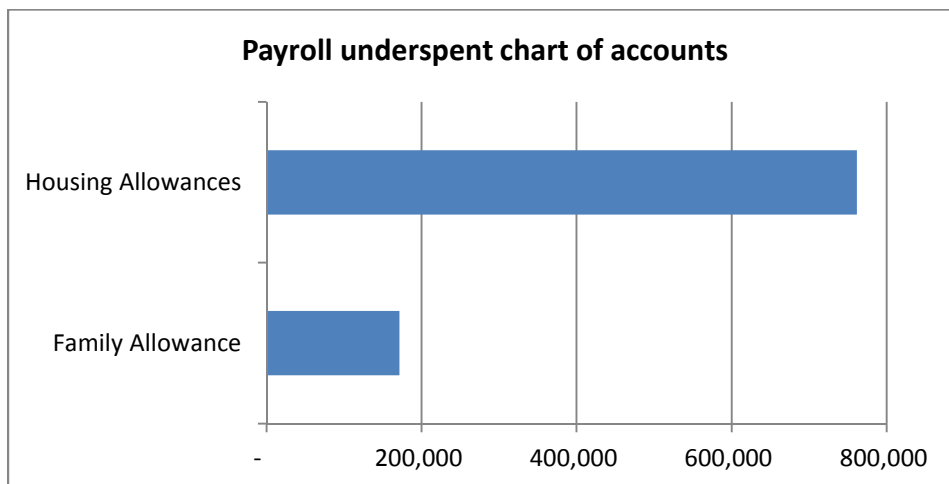


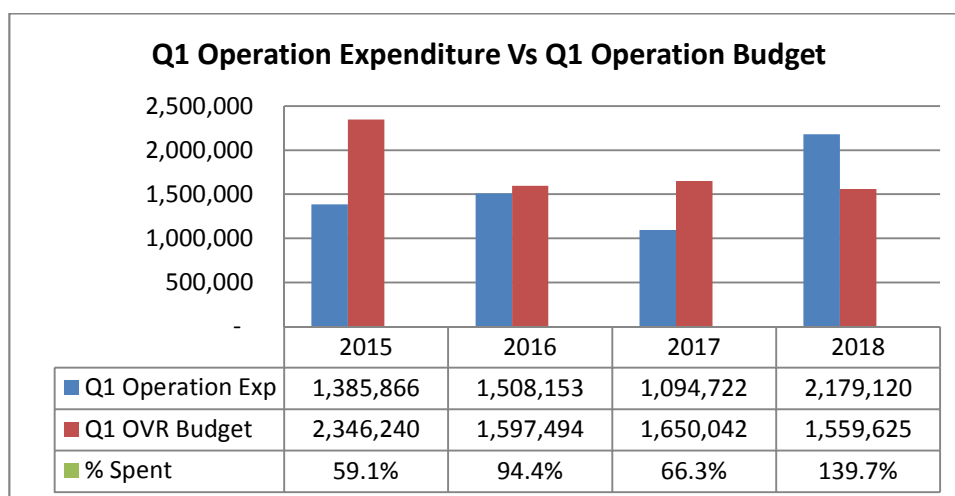
Figure 5: Payroll 2018 first quarter of the year underspent chart of accounts



### 1.5. Operation Budget Management and Planning

The first quarter budget for operation for 2018 was VT 1,559,625 and total expenditure was VT 2,179,120. The Office had overspent on its operation budget by 39.7percent or by VT 619,495 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	40,000	10,000			-	24,900	-	24,999	0.0%
8CBL	Local Accommodation	-	5,000			-	24,900	-	24,999	0.0%
8CCL	Local Courses	-	5,000							
8CFV	Vehicles Fuel	132,445	87,506	51,402	137,499	72,005	87,150	61,347	87,501	70.1%
8CGO	Other Charges - Freight	-	2,000	-	5,001	1,350	4,980	-	5,001	0.0%
8CGR	Transport - Freight							16,490	-	
8CIV	Vehicles Hire							20,000	-	
8CJO	Office Cleaning							42,088	-	
8CKD	Advertising - Communications	-	20,000	-	24,999	-	24,900	-	24,999	0.0%
8CKP	Postage - Communications	-	10,000	-	5,001	-	4,980	-	5,001	0.0%
8CKR	Printing - Communications			-	12,501	12,440	12,450	136,632	12,501	1093.0%
8CKS	Stationery - Communications	128,179	37,500	91,445	124,998	37,054	74,700	37,815	75,000	50.4%
8CKT	Telephone / Fax - Communications	33,995	25,003	189,414	50,001	-	24,900	81,632	24,999	326.5%
8CMO	Office - Materials							18,000	-	
8CNO	Office Rental	40,000	135,000	40,000	135,000	160,000	134,460	44,444	135,000	32.9%
8CNT	Other Rental	165,336	186,000	165,336	174,999	220,448	185,256	-	186,000	0.0%
8COI	Incidentals	65,249	23,756	548,805	99,999	95,904	155,016	811,200	108,630	746.8%
8COO	International Organisation Fees	-	70,340			-	49,800			
8COP	Official Entertainment	3,200	5,000	-	12,501			37,747	-	
8COT	Termination Payment							-	-	
8CRE	Equipment Repairs & Maintenance	44,444	50,000	-	99,999	161,108	74,700	2,500	75,000	3.3%
8CRV	Vehicles Repairs & Maintenance	234,800	87,506	30,631	99,999	-	62,250	24,079	62,499	38.5%
8CRW	Vehicle Servicing							3,913	-	
8CSF	Food - Suppliers					-	12,450	-	12,501	0.0%
8CTI	International Travel	-	15,000			-	74,700	-	75,000	0.0%
8CTL	Local Travel	58,224	33,000			-	37,350	-	37,500	0.0%
8CUE	Electricity Utilities	288,564	535,006	230,155	539,997	212,793	448,200	173,407	449,997	38.5%
8CUW	Water Utilities	1,897	17,006	1,553	24,999	-	7,500	1,167	7,500	15.6%
8CZV	Value Added Tax	149,533	185,747	159,412	50,001	121,620	124,500	206,349	124,998	165.1%

8EEA	Equipment - Additional General							337,275	-	
8EEC	Equipment - Computer							121,735	-	
8FCB	Bank Charges							1,300	-	
OVER	Overhead expenses	-	800,870	-	-	-	-	-	-	
	<b>Operating Expenses</b>	<b>1,385,866</b>	<b>2,346,240</b>	<b>1,508,153</b>	<b>1,597,494</b>	<b>1,094,722</b>	<b>1,650,042</b>	<b>2,179,120</b>	<b>1,559,625</b>	<b>139.7%</b>

Source: Department of Finance & Treasury

## Unbudgeted Items

Total expenses of unbudgeted items in the first quarter of 2018 was VT 1.6 million. This is a about 1.5 million more than in 2017 in the same period. Major unbudgeted expense items were from incidentals VT 702,570, equipment VT337,275, printing VT 124,131 and computer VT 121,735.

## Underspent Items

Total underspent in the first quarter of 2018 was VT943,738. This is about VT 240,000 more that in 2017 in the same period. Major underspent expenses items were electricity VT 276,590 and other rental VT 186,000.

Electricity and water utilities continues to underspent year after year since 2015. The office needs to budget according to expenditure trend.

Figure 7: Operation over spent chart of accounts

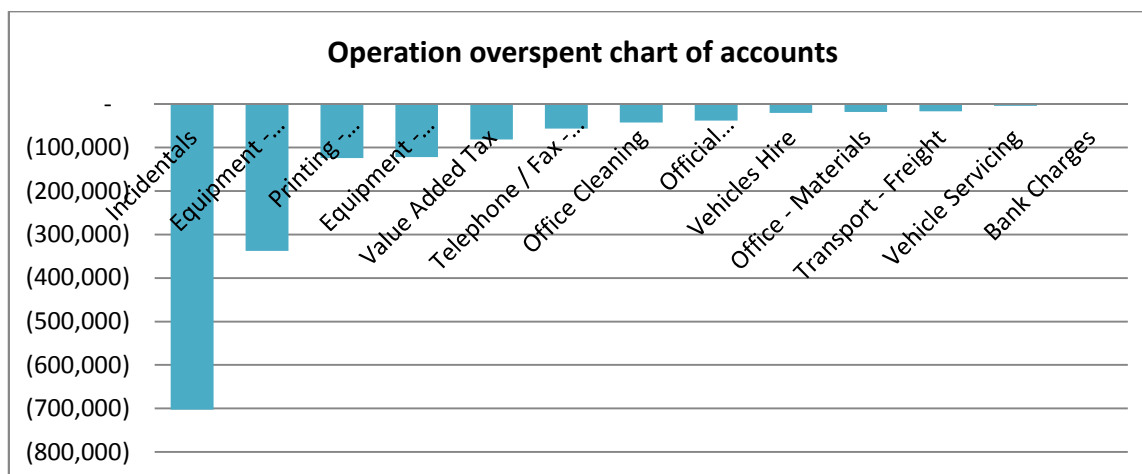
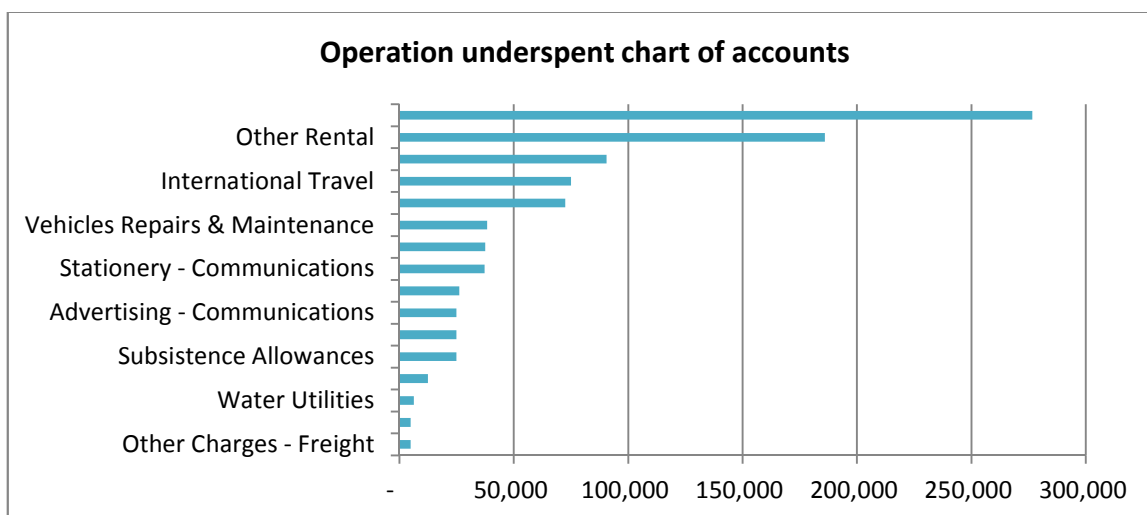


Figure 8: Operation under spent chart of accounts





## REVENUE PLANNING AND MANAGEMENT

The Office did not budget or collected any revenue in the first quarter of 2018 or in the last three years in the same period.

## ASSET MANAGEMENT

The Office had spent VT459,100 against a zero budget in this quarter. Asset status should be checked before preparing budget.

## VIREMENT

There was no virement processed in the first quarter of 2018 and in the past two years in the same period. The last virement processed in the same quarter was in 2015.

Graphs below showing number and value of virement in 2018 in the first quarter of the year and the in past three years in the same period.

Figure 9: Number of Virements 2015-2018

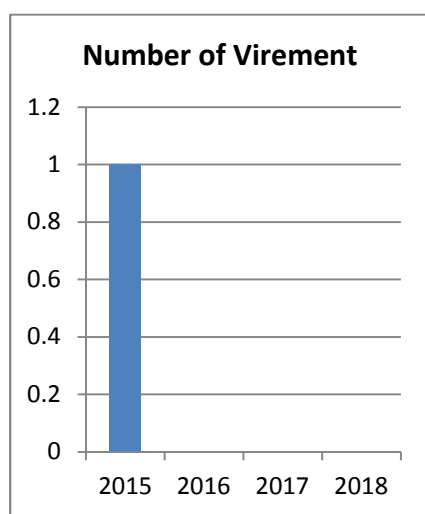
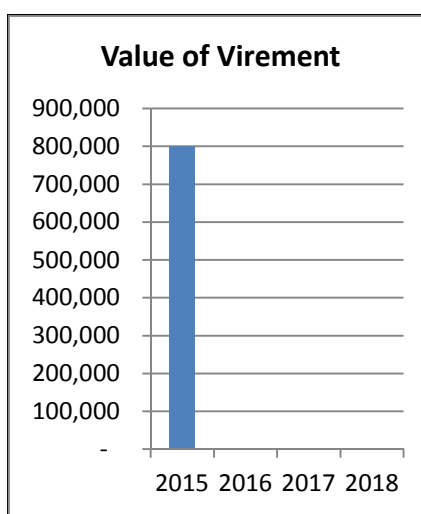


Figure 10: Value of Virements 2015-2018



## IMPREST MANAGEMENT

At the end of the first quarter of 2018, the Office had a total of VT100,000 outstanding imprest to reitre.

Table 4: Outstanding Imprests as of the first quarter of 2018.

Department/ Section	Amount Advanced	Amount Paid	Amount Outstanding
OPP	100,000	-	100,000
Total	100,000	-	100,000

Source: Department of Finance & Treasury