

STATE LAW OFFICE

INTRODUCTION AND KEY FINDINGS

The State Law Office (SLO) is established by the State Law Office Act No. 14 of 1998 and is the program under which all legal advice, litigation and drafting work on behalf of the Government is undertaken. The State Law Office provides legal services to the Head of State, Parliament, the Government (Council of Ministers, Ministers, Ministries and Departments), the Local Government Councils, Statutory Bodies, various Commissions, Boards, and Government Committees.

The Office is not allowed under the State Law Office Act to provide legal advice to any private individual, including public servants nor the private sectors.

OBJECTIVES

- To provide legal advice to Government
- To represent government before the Court as little as possible by resolving disputes
- To provide high quality legislative drafting services to government
- To have contented and well-qualified staff
- To have adequate financial and physical resources
- To combat money laundering, financing of terrorism and other financial/economic crime

This is the Expenditure Report for Quarter One of 2019 for the State Law Office.

SUMMARY OF KEY FINDINGS

Area	Finding
Budget Management and Planning	Analysis shows that State Law Office (SLO) had an allocated 2019 annual budget of VT193,116,516. The SLO had already spent 22.3 percent of the annual budget and with that current rate of spending, it is most likely that the SLO will spend within its budget by the end of the year.
Activity and Cost Centre Management and Planning	<p>The Office Administration (Cost center 11AA) budget was underspent by 4.9 percent of its first quarter budget or by VT1.7 million. The Office had already spent 21.9 percent of its annual budget and with that current rate of spending , it is most likely that the Office will spend within its budget by the end of the year.</p> <p>The Financial Intelligent Unit (Cost center 11AB) budget was underspent by 5.4 percent of its first quarter budget or by VT 614,388. This Unit had already spent 23.4 percent of its annual budget and with that current rate of spending, it is most likely that it will spend within its budget by the end of the year.</p>
Payroll Budget Management and Planning	The first quarter budget for payroll for 2019 was VT39,213,437 and total expenditure was VT37,496,691. The SLO had underspent on its payroll budget by 4.4 percent or by VT1.7 million in the first quarter of the year.
Operation Budget Management and Planning	The first quarter budget for operation for 2019 was VT6,069,597 and the total expenditure was VT5,500,497. The SLO had underspent on its operation budget by 9.4 percent or by VT569,100 in the first quarter of the year.

Detailed Charts of Accounts In Payroll Expenditure Management and Planning	<p>Major expenditure items in this quarter were from permanent wages VT33.1 million, housing allowance VT2.6 million and provident fund VT1.3 million.</p> <p>Total expenses of unbudgeted items for the first quarter of 2019 was VT2.9 million. This is about VT5.6 million less than the first quarter of 2018. Major expenses was from housing allowances VT2.6 million.</p> <p>The total underspent for the first quarter of 2019 was VT1 million.. This is about VT600,000 more than in 2018 in the same period.</p>
Detailed Chart of Accounts in Operation Expenditure Management and Planning	<p>Major expenditure items in this quarter were from maintenance contract VT1 million, office rental VT900,603 and equipement-computer VT534,580.</p> <p>Total expenses of unbudgeted items in the first quarter of 2019 was VT3.1 million. This is about VT5.5 million less than in 2018 in the same period. Major unbudgeted expenses were from maintenance contract VT1 million and office rental VT900,603.</p> <p>Total underspent in the first quarter of 2019 was VT2.1 million. This is about VT441,360 more than in 2018 in the same period. Major underspent expenses items were computer software VT250,000, incidentals VT211,206 and subsistence allowance VT209,998.</p>
Asset Management	<p>The SLO asset budget for this quarter was VT662,497 but had spent VT832,785. Major spending were from equipment-computer VT534,580 and vehicle replacement VT260,870.</p>
Virements	<p>There was no virement processed in the first quarter of 2019 and for the past 3 years in the same period.</p>
Imprest Management	<p>At the end of the first quarter of 2019, the SLO had a total of VT 366,000 outstanding imprest to reitre.</p>

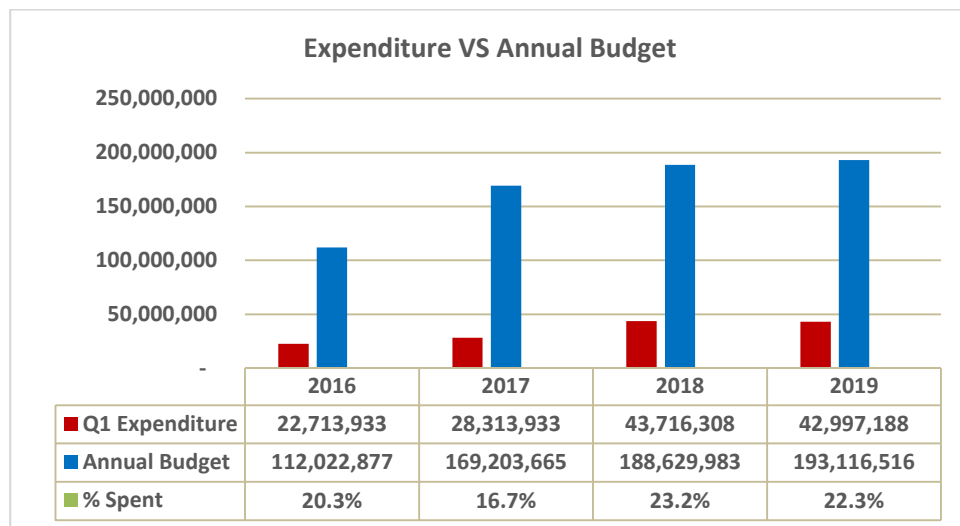
FINANCIAL MANAGEMENT ASSESSMENT

1. BUDGET PERFORMANCE

1.1 Overall Budget Management and Planning

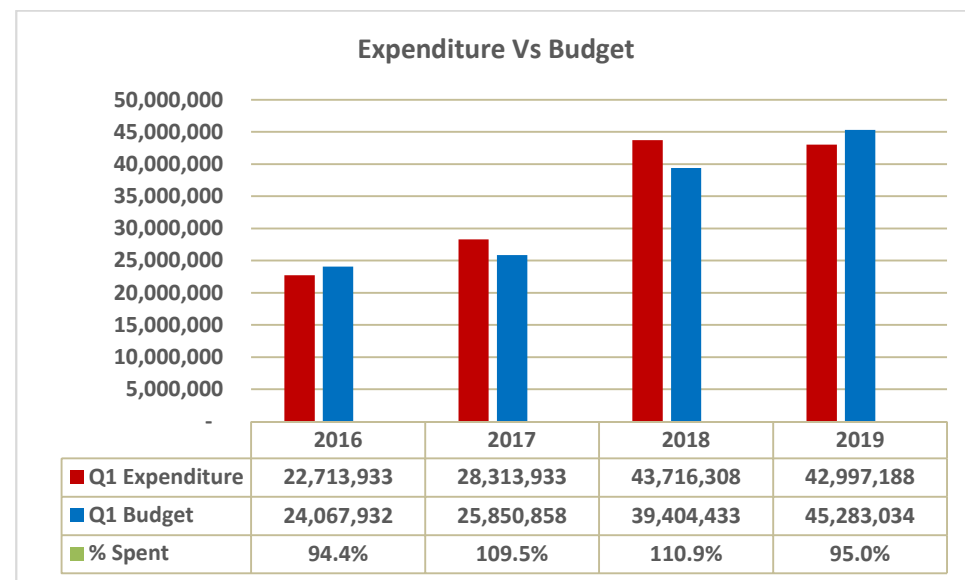
Analysis shows that State Law Office (SLO) had an allocated 2019 annual budget of VT193,116,516. The SLO had already spent 22.3 percent of the annual budget and with that current rate of spending, it is most likely that the SLO will spend within its budget by the end of the year.

Figure 1: Expenditure Vs Budget



The above graph shows the expenditures in quarter one against the annual budget for 2019 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 for 2019 and the past three years in the same period. The budget had increased by VT5.9 million but the expenditure had decreased by VT719,120 compared to 2018 in the same period.

1.2 Activity and Cost center management and planning

The Office Administration (Cost center 11AA) budget was underspent by 4.9 percent of its first quarter budget or by VT1.7 million. The Office had already spent 21.9 percent of its annual budget and with that current rate of spending , it is most likely that the Office will spend within its budget by the end of the year.

The Financial Intelligent Unit (Cost center 11AB) budget was underspent by 5.4 percent of its first quarter budget or by VT614,388. This Unit had already spent 23.4 percent of its annual budget and with that current rate of spending, it is most likely that it will spend within its budget by the end of the year.

Table 1: Cost centers budget and expenditures

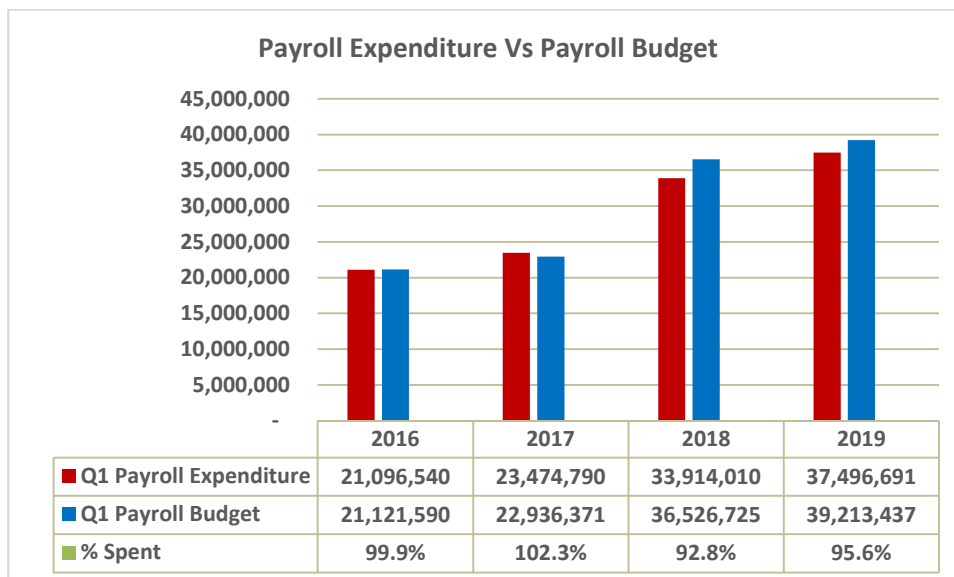
Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
11AA	Office Administration					
	Personnel Expenses	29,960,016	-	29,960,016	31,548,695	1,588,679
	Operating Expenses	884,709	1,302,109	2,186,818	2,269,597	82,779
11AA	Office Administration	30,844,725	1,302,109	32,146,834	33,818,292	1,671,458
11AB	Financial Intelligence Unit					
	Personnel Expenses	7,536,675	-	7,536,675	7,664,742	128,067
	Operating Expenses	1,647,781	1,665,898	3,313,679	3,800,000	486,321
11AB	Financial Intelligence Unit	9,184,456	1,665,898	10,850,354	11,464,742	614,388
	Total Expenditure	40,029,181	2,968,007	42,997,188	45,283,034	2,285,846

Source: Department of Finance & Treasury

1.3. Payroll Budget Management and Planning

The first quarter budget for payroll for 2019 was VT39,213,437 and total expenditure was VT37,496,691. The SLO had underspent on its payroll budget by 4.4 percent or by VT1.7 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 2019 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 2016 to 2019 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 2016-2019

Account	Description	2016 Expense	2016 Budget	2017 Expense	2017 Budget	2018 Expense	2018 Budget	2019 Expense	2019 Budget	% Spent
	Personnel Expenses									
8AAA	Acting Allowances	175,796	-	220,437	150,000	-	300,000	-	230,772	0.0%
8AAB	Responsibility Allowance	1,042,572	-			6,900	-			
8AAF	Family Allowance	338,425	324,280	-	254,250			343,435	-	
8AAH	Housing Allowances	2,077,185	2,299,943	-	2,395,413			2,591,840	-	
8AAO	Other Allowances	542,291	56,092	105,000	-					
8AAP	Home Island Passage Allowances	282,961	143,268	-	144,693			102,525	256,155	40.0%
8AAS	Special Allowances	-	81,799			20,000	-			
8ASP	Provident Fund	705,167	718,399	898,839	733,638	1,303,297	988,266	1,325,323	1,358,433	97.6%
8AWC	Contract Wages					-	49,731			
8AWD	Daily Rated Wages			-	49,731			34,448	49,731	69.3%
8AWL	Leave expense	-	-							
8AWP	Permanent Wages	15,932,143	17,497,809	22,250,514	17,886,957	32,583,813	24,356,883	33,099,120	33,680,346	98.3%
PAYR	Payroll expenses	-	-	-	1,321,689	-	10,831,845	-	3,638,000	0.0%
	Personnel Expenses	21,096,540	21,121,590	23,474,790	22,936,371	33,914,010	36,526,725	37,496,691	39,213,437	95.6%

Source: Department of Finance & Treasury

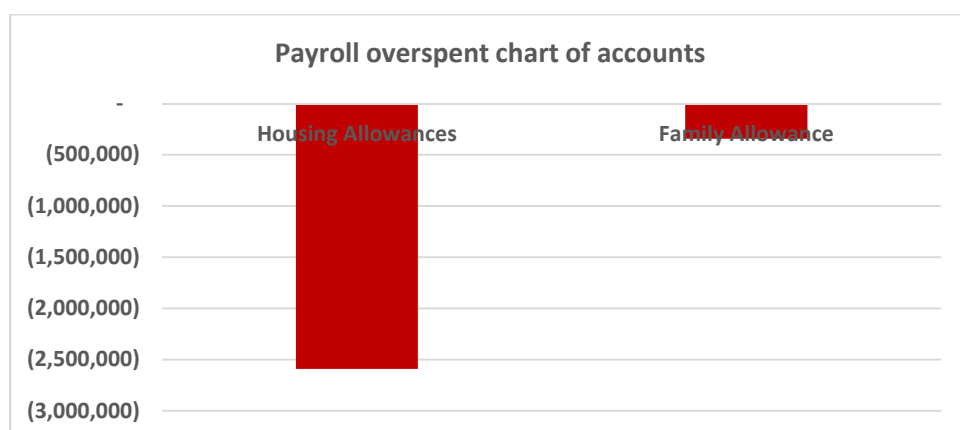
Major Expenditure Items

Major expenditure items in this quarter were from permanent wages VT33.1 million, housing allowance VT2.6 million and provident fund VT1.3 million.

Overspent chart of accounts

Total expenses of unbudgeted items for the first quarter of 2019 was VT2.9 million. This is about VT5.6 million less than the first quarter of 2018. Major expenses was from housing allowances VT2.6 million.

Figure 4: Payroll overspent chart of accounts

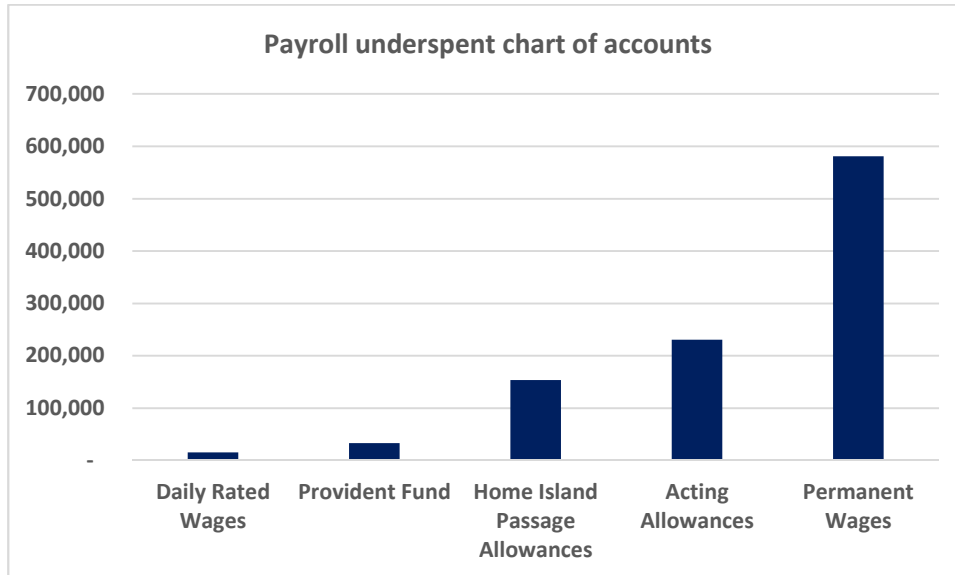


Underspent chart of accounts

The total underspent for the first quarter of 2019 was VT1 million. This is about VT600,000 more than in 2018 in the same period.

Most of the payroll chart of accounts were underspent, SLO needs to relocate funds according to expenditure trend.

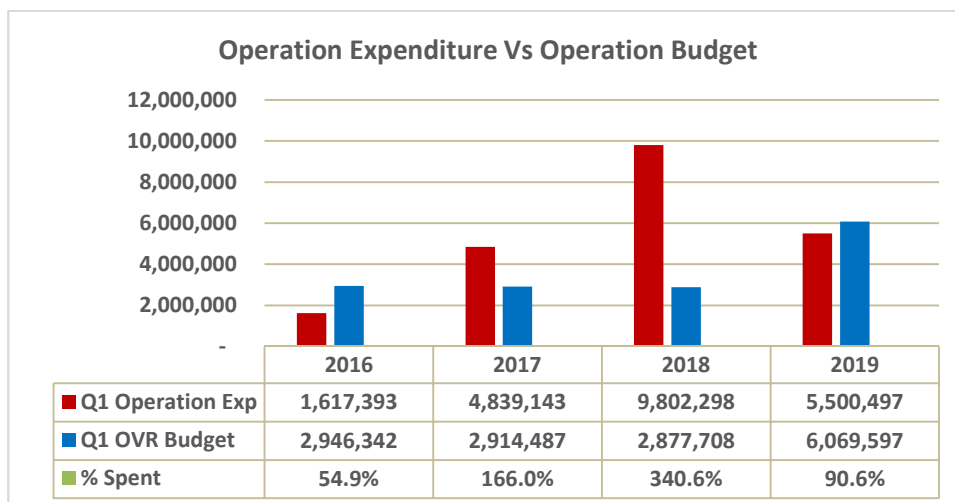
Figure 5: Payroll underspent chart of accounts



1.5. Operation Budget Management and Planning

The first quarter budget for operation for 2019 was VT6,069,597 and the total expenditure was VT5,500,497. The SLO had underspent on its operation budget by 9.4 percent or by VT569,100 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 2019 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 2016 to 2019 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 2016-2019

Account	Description	2016 Expense	2016 Budget	2017 Expense	2017 Budget	2018 Expense	2018 Budget	2019 Expense	2019 Budget	% Spent
	Operating Expenses									
8CAB	Subsistence Allowances	175,000	120,000	805,000	62,499	170,000	199,998	140,000	349,998	40.0%
8CAI	Subsistence Allowance International							-	75,000	0.0%
8CAP	Repatriation Allowances							-	-	
8CBI	International Accommodation			417,790	37,500	183,671	75,000	223,420	324,999	68.7%
8CBL	Local Accommodation	-	99,999	-	75,000	-	62,502	-	125,000	0.0%
8CCI	International Courses					93,960	-			
8CEM	Software Maintenance Fees			-	-					
8CET	Other Fees	(109,106)	24,999	736,594	2,499	538,750	50,001	-	50,001	0.0%
8CFV	Vehicles Fuel	195,555	244,998	286,223	230,001	189,564	242,499	295,650	242,499	121.9%
8CGM	Mail Carriage Freight	-	7,500	-	6,252	-	5,000	-	5,001	0.0%
8CGO	Other Charges - Freight							-	2,499	0.0%
8CGR	Transport - Freight	-	2,499	-	3,750	-	5,000	-	5,000	0.0%
8CHL	Local Medical Treatment	-	37,500	-	24,999					
8CIE	Equipment Hire	-	5,001	-	5,001					
8CIF	Facilities Hire	-	12,501	-	12,501	-	12,500	-	62,502	0.0%
8CIV	Vehicles Hire							81,265	12,501	650.1%
8CJO	Office Cleaning	32,692	55,002	68,489	55,002	26,979	99,999	85,931	87,501	98.2%
8CKD	Advertising - Communications	24,542	12,501	47,227	52,501	-	25,001	52,407	62,501	83.8%
8CKL	Translation Communications					501,398	-			
8CKP	Postage - Communications	6,000	7,500	6,000	7,500	4,965	8,751	-	8,751	0.0%
8CKR	Printing - Communications	89,356	57,501	33,275	56,250	49,285	107,499	-	112,500	0.0%
8CKS	Stationery - Communications	235,720	245,001	97,582	170,001	122,384	199,998	176,267	174,999	100.7%
8CKT	Telephone / Fax - Communications	26,667	87,498	84,445	100,002	105,507	109,998	62,605	162,498	38.5%
8CNO	Office Rental							900,603	-	
8CNT	Other Rental							65,217	-	
8COI	Incidentals	35,200	317,490	114,435	417,489	-	154,078	33,258	244,464	13.6%
8COP	Official Entertainment	-	27,498	-	27,498	258,302	-	156,522	37,500	417.4%
8CRB	Buildings Repairs & Maintenance	484,146	50,001	9,147	50,001	-	50,001	56,537	87,501	64.6%
8CRE	Equipment Repairs & Maintenance	61,831	115,653	136,978	69,999	14,344	75,000	-	150,000	0.0%
8CRM	Maintenance Contract	-	22,500	421,965	22,500	(402,359)	24,999	1,019,566	-	

8CRR	Roads Repairs & Maintenance							20,000	-	
8CRV	Vehicles Repairs & Maintenance	71,667	102,501	115,550	90,000	92,626	149,997	226,146	137,499	164.5%
8CTI	International Travel	-	87,501	466,311	50,001	267,733	50,001	151,113	50,001	302.2%
8CTL	Local Travel	-	99,999	-	50,001	-	50,001	-	99,999	0.0%
8CUE	Electricity Utilities	-	300,000	-	294,999	2,903,235	249,999	204,247	200,000	102.1%
8CUW	Water Utilities	-	5,000	-	5,000	-	7,500	-	7,500	0.0%
8CWL	Local Workshops							-	87,501	0.0%
8CZV	Value Added Tax	171,256	477,576	303,414	389,295	1,053,206	333,639	655,453	838,824	78.1%
8EEA	Equipment - Additional General	66,667	17,499	19,733	17,499			-	-	
8EEC	Equipment - Computer	-	175,000	540,430	438,195	34,542	150,000	534,580	150,000	356.4%
8EEP	Equipment - Photocopiers	40,000	-	-	24,999	347,827	37,500	-	62,499	0.0%
8EER	Equipment - Replacement General			61,333	-					
8EET	Equipment - Computer Software Purchases					-	150,000	-	250,000	0.0%
8EFO	Furniture - Office Furniture	-	127,500	62,222	62,501	-	187,497	37,335	199,998	18.7%
8EVA	Vehicle - Additional Vehicle					304,349	-	-	-	
8EVR	Vehicle - Replacement					2,942,030	-	260,870	-	
8FCB	Bank Charges	10,200	624	5,000	3,252	-	3,750	61,505	16,500	372.8%
OVER	Overhead expenses	-	-	-	-	-	-	-	1,586,061	0.0%
	Operating Expenses	1,617,393	2,946,342	4,839,143	2,914,487	9,802,298	2,877,708	5,500,497	6,069,597	90.6%

Source: Department of Finance & Treasury

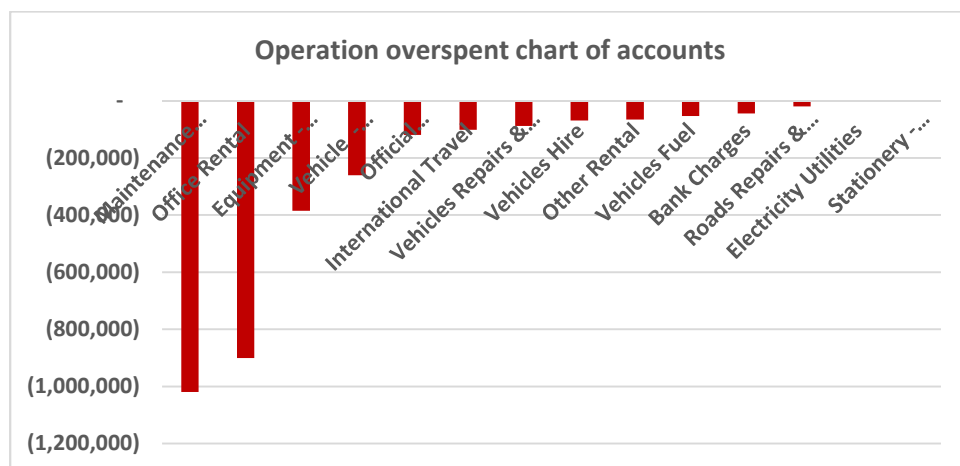
Major Expenditure Items

Major expenditure items in this quarter were from maintenance contract VT1 million, office rental VT900,603 and equipment-computer VT534,580.

Overspent chart of accounts

Total expenses of unbudgeted items in the first quarter of 2019 was VT3.1 million. This is about VT5.5 million less than in 2018 in the same period. Major unbudgeted expenses were from maintenance contract VT1 million and office rental VT900,603.

Figure 7: Operation overspent chart of accounts

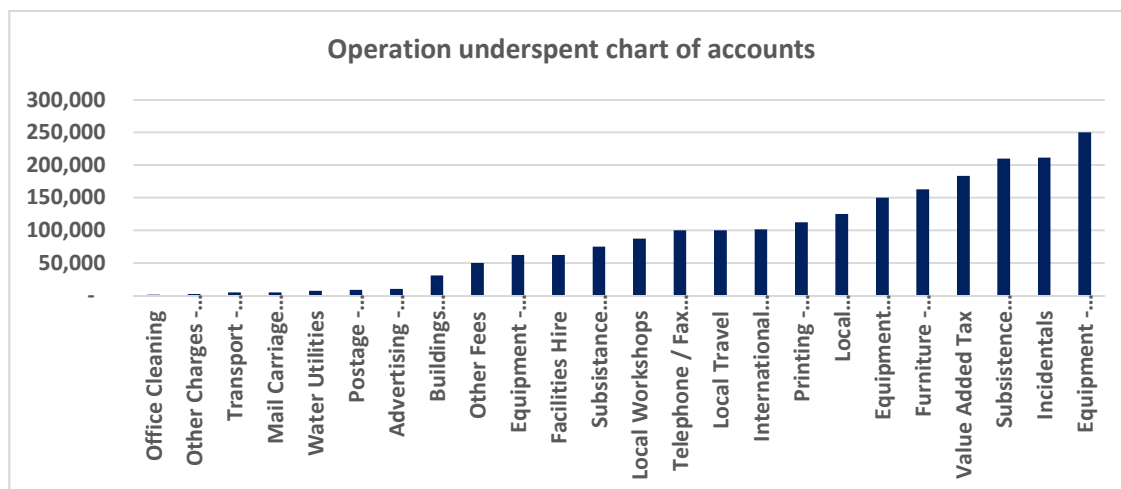


Underspent chart of accounts

Total underspent in the first quarter of 2019 was VT2.1 million. This is about VT441,360 more than in 2018 in the same period. Major underspent expenses items were computer software VT250,000, incidentals VT211,206 and subsistence allowance VT209,998.

SLO needs to budget according to expenditure trend.

Figure 8: Operation underspent chart of accounts



ASSET MANAGEMENT

The SLO asset budget for this quarter was VT662,497 but had spent VT832,785. Major spending were from equipment-computer VT534,580 and vehicle replacement VT260,870.

VIREMENT

There was no virement processed in the first quarter of 2019 and for the past 3 years in the same period.

IMPREST MANAGEMENT

At the end of the first quarter of 2019, the SLO had a total of VT 366,000 outstanding imprest to reitre.

Table 4: Outstanding Imprests as of the end of the first quarter of 2019.

Department / Section	Amount Advanced	Amount Paid	Amount Outstanding
SLO	366,000	-	366,000
Total	366,000	-	366,000

Source: Department of Finance & Treasury