

MINISTRY OF FOREIGN AFFAIRS & INTERNATIONAL COOPERATION AND EXTERNAL TRADES

INTRODUCTION AND KEY FINDINGS

The Ministry of Foreign Affairs, International Cooperation and External Trade (MFAICET) is mandated to promote the national interests in creating, managing and maintaining friendly relations with bilateral and multilateral partners at the regional and multilateral level. The Ministry also promotes, defends and executes Vanuatu's policy position on important issues that ensures domestic interests are achieved.

And in ensuring that Vanuatu's national interests are attained, the Ministry carries out its responsibility as the country's official point of contact in the negotiations of any bilateral/multilateral relations and by engaging both the domestic actors with the international players in a bilateral and multilateral arena.

The Ministry is also responsible for providing protocol and consular assistance to Ni-Vanuatu either travelling or residing overseas. Ministry continues to play a supportive role in promoting Vanuatu's developing commercial interests in areas of tourism and investment opportunities, including identifying export markets for Vanuatu products. These responsibilities are achieved through the work program of Vanuatu's permanent overseas missions. Similarly, the Ministry facilitates and provides protocol and diplomatic services to foreign dignitaries, both resident and visiting. The work of the Ministry through Foreign diplomatic service continues to grow with both consular and diplomatic representations now being strengthened. These responsibilities are fulfilled with the assistance of Vanuatu permanent missions through their work program overseas.

Vanuatu Overseas Missions (OSM) currently includes the following: Vanuatu Permanent Mission to the United Nations, New York, USA; Embassy of Vanuatu to the People's Republic of China, Beijing, China; Embassy of Vanuatu to the European Union, the Kingdom of Belgium, France and United Kingdom; Vanuatu Consulate Nouméa, New Caledonia; Vanuatu Consulate Auckland, New Zealand; Vanuatu High Commission, Suva, Fiji; and Vanuatu High Commission, Canberra, Australia and recently two new missions, one in Wellington and another in Brussels.

The Ministry is implementing these objectives: to project a positive image of Vanuatu internationally and to maintain healthy relations; to ensure strategic representation through diplomatic and consular appointments abroad; to have an ethical, professional and responsive high performing Ministry; to increase economic opportunities through Development Corporation and Consular initiatives; to provide efficient diplomatic, protocol consular assistance to ni-Vanuatu travelling or residing overseas; to manage Vanuatu's unresolved maritime boundaries and territorial disputes; and to secure increased market access for Vanuatu's goods and services, facilitate investments and boost specialization in areas of competitive advantage.

This is the Expenditure Report for Quarter One of 2019 for the Ministry of Foreign Affairs & International Cooperation and External Trades

SUMMARY OF KEY FINDINGS

Area	Finding
Budget Management and Planning	Analysis shows that MFAICET had an allocated 2019 annual budget of VT 571,230,531 plus VT48 million for international organization fee that is held with MFEM. The Ministry had already spent 30.4 percent of the annual budget (VT 571.230.531) and with that current rate of spending, it is most likely that the Ministry will used up its budget by the end of the year. At the end of the first quarter, 23.3 percent of the international organization fee budget that was kept under MFEM was already expended.
	The Department of External Trades (Cost center 390) budget was overspent by 12.7 percent of its first quater budget or by VT717,992. The Cabinet and DG's office (Cost center 410) budget was

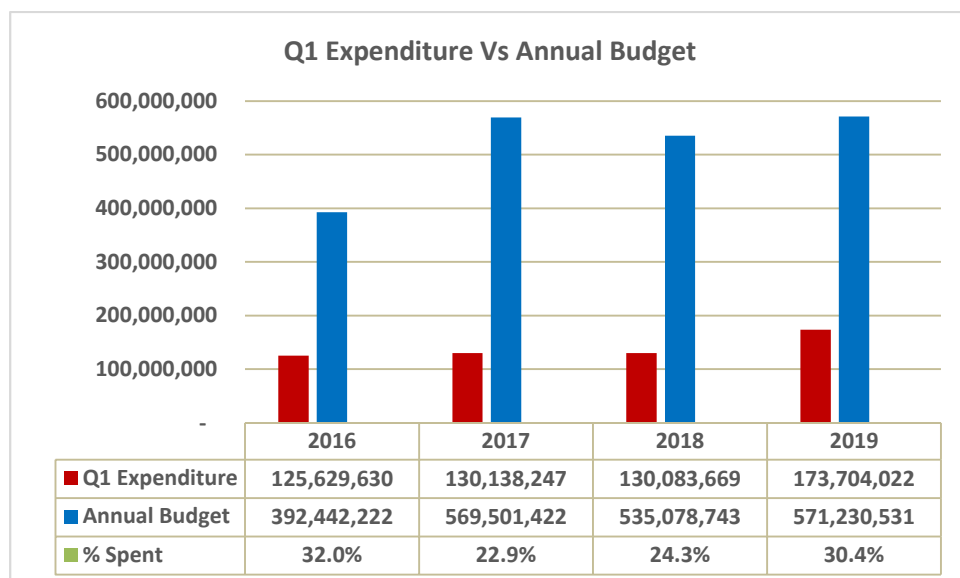
Activity and Cost Centre Management and Planning	underspent by 24.7 percent of its first quarter budget or by VT8.8 million. The Department of Foreign Affairs (Cost center 440) budget was overspent by 25.2 percent or by around VT28.3 million.
Payroll Budget Management and Planning	The first quarter budget for payroll for 2019 was VT 95,710,175 and total expenditure was VT 74,831,468. The Ministry had underspent on its payroll budget by 21.8 percent or VT 20.9 million in the first quarter of the year.
Operation Budget Management and Planning	The first quarter budget for operation for 2019 was VT57,793,884 and total expenditure was VT98,872,554. The Ministry had overspent on its operation budget by 71percent or by VT41.1 million 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 permanent wages VT46.1 million and housing allowances VT17.9 million.</p> <p>Total overspent expenses for the first quarter of 2019 was VT6.8 million. This is about VT11.2 million less than the first quarter of 2018. Major overspent chart of accounts were housing allowances VT3.1 million, special allowances VT1.6 million and leave expenses VT1.6 million.</p> <p>The total underspent expenses in the first quarter of 2019 was VT11 million. This is about VT7.4 million less than in 2018 in the same period. Major underspent chart of accounts were permanent wages VT5.7 million and other allowances VT4.3 million.</p>
Detailed Chart of Accounts in Operation Expenditure Management and Planning	<p>Major expenditure items in this quarter were international organisation fees VT44.5 million, operating grant VT16.3 million and office rental VT9.8 million.</p> <p>Total overspent chart of accounts expenses in the first quarter of 2019 was VT51.1 million. This is a about VT22.7 million more than in 2018 in the same period. Major overspent expenses items were from operating grant which was VT16.3 million, international organisation VT14.5 million, office rental VT4.4 million, vehicle replacement VT3.9 million, other fees VT3 million and international organisation fees VT2.8 million.</p> <p>Total underspent expenses in the first quarter of 2019 was VT10 million. This is about VT3.3 million more than in 2018 in the same period. Major underspent expenses items were electricity VT1.9 million, incidentals VT1.8 million, telephone/fax VT1.5 million and international travel VT1.5 million.</p>
Asset Management	The Ministry had spent VT5.2 million against its asset budget of only VT643,011 in the first quarter. Major spending was for a vehicle replacement. The Ministry needs to check its asset status before preparing budget to minimise overspending on its asset budget.
Virements	There was a total of 4 virements processed in the first quarter of 2019 with a value of VT4.8 million compared to 6 virement with a value of VT55.8 million in the same period in 2018.
Imprest Management	At the end of the first quarter of 2019, the Ministry had a total of VT1,416,679 outstanding imprest to reitre.

1. BUDGET PERFORMANCE

1.1 Overall Budget Management and Planning

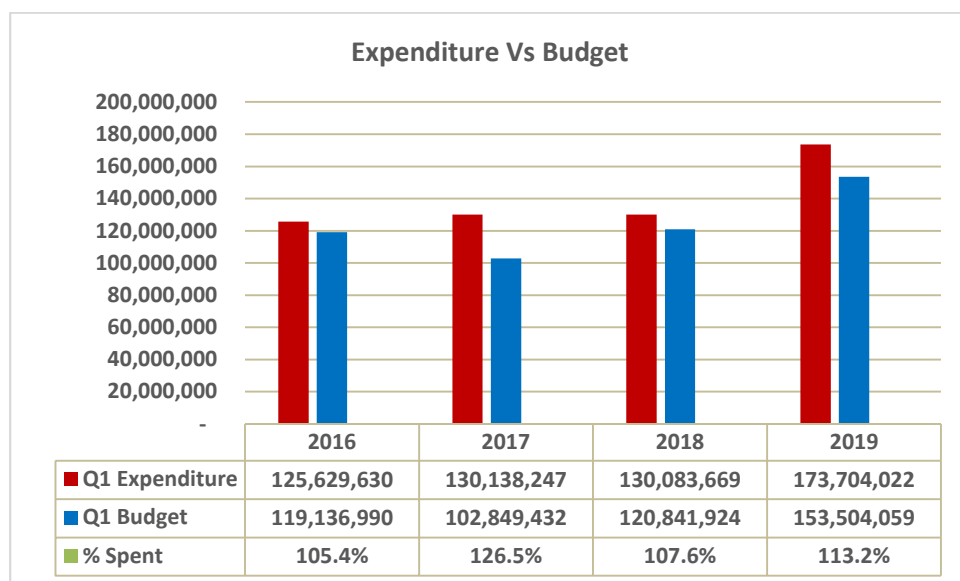
Analysis shows that MFAICET had an allocated 2019 annual budget of VT 571,230,531 plus VT48 million for international organization fee that is held with MFEM. The Ministry had already spent 30.4 percent of the annual budget (VT 571.230.531) and with that current rate of spending, it is most likely that the Ministry will used up its budget by the end of the year. At the end of the first quarter, 23.3 percent of the international organization fee budget that was kept under MFEM was already expended.

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. Expenditure had increased in the first quarter of 2019 by 6.1 percent from 2018 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. Quarter one budget of 2019 had increased by VT32.7 million compared to 2018.

1.2 Activity and Cost center management and planning

The Department of External Trades (Cost center 390) budget was overspent by 12.7 percent of its first quarter budget or by VT717,992. The Department had already spent 20.3 percent of its annual budget and with that current rate of spending, it is most likely that the Department will spent within its budget by the end of the year.

The Cabinet and DG's office (Cost center 410) budget was underspent by 24.7 percent of its first quarter budget or by VT8.8 million. This cost center had already spent 24.5 percent of its annual budget and with that current rate of spending, it is most likely that funds will be used up by the end of the year.

The Department of Foreign Affairs (Cost center 440) budget was overspent by 25.2 percent or by around VT28.3 million. The Department had already spent 32.6 percent of its annual budget and with that current rate of spending, it is most likely that the Department will overspent its budget by the end of the year. The Department had significantly overspent due to funds being advanced from the future periods and expended in the quarter one period.

Table 1: Cost centers budget and expenditures

Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
39AA	External Trade Negotiation Division					
	Personnel Expenses	1,671,859	2,218	1,674,077	2,609,466	935,389
	Operating Expenses	160,321	106,000	266,321	365,688	99,367
39AA	External Trade Negotiation Division	1,832,180	108,218	1,940,398	2,975,154	1,034,756
39AG	External Trade Policy & Administration Division					
	Personnel Expenses	974,480	-	974,480	1,874,280	899,800
	Operating Expenses	340,410	3,104,021	3,444,431	735,903	(2,708,528)
39AG	External Trade Policy & Administration Division	1,314,890	3,104,021	4,418,911	2,610,183	(1,808,728)
39AH	External Trade Opportunities					
	Operating Expenses	(9,000)	9,000	-	55,980	55,980
39AH	External Trade Opportunities	(9,000)	9,000	-	55,980	55,980
41AA	Cabinet Operations					
	Personnel Expenses	12,943,030	-	12,943,030	24,876,097	11,933,067
	Operating Expenses	2,014,655	991,090	3,005,745	3,182,487	176,742
41AA	Cabinet Operations	14,957,685	991,090	15,948,775	28,058,584	12,109,809
41AB	Office of the DG					
	Personnel Expenses	4,756,433	-	4,756,433	4,381,362	(375,071)
	Operating Expenses	4,228,841	1,910,719	6,139,560	3,220,782	(2,918,778)
41AB	Office of the DG	8,985,274	1,910,719	10,895,993	7,602,144	(3,293,849)
44BA	Permanent Mission to the United States					
	Personnel Expenses	7,114,067	-	7,114,067	8,029,413	915,346
	Operating Expenses	2,020,451	-	2,020,451	887,733	(1,132,718)
44BA	Permanent Mission to the United States	9,134,518	-	9,134,518	8,917,146	(217,372)
44BB	Consul, Noumea					
	Personnel Expenses	3,341,352	-	3,341,352	3,602,190	260,838
	Operating Expenses	1,418,328	-	1,418,328	640,146	(778,182)
44BB	Consul, Noumea	4,759,680	-	4,759,680	4,242,336	(517,344)
44BC	Embassy, Brussels					
	Personnel Expenses	4,465,743	-	4,465,743	7,113,138	2,647,395
	Operating Expenses	(96,972)	3,708,981	3,612,009	1,814,580	(1,797,429)

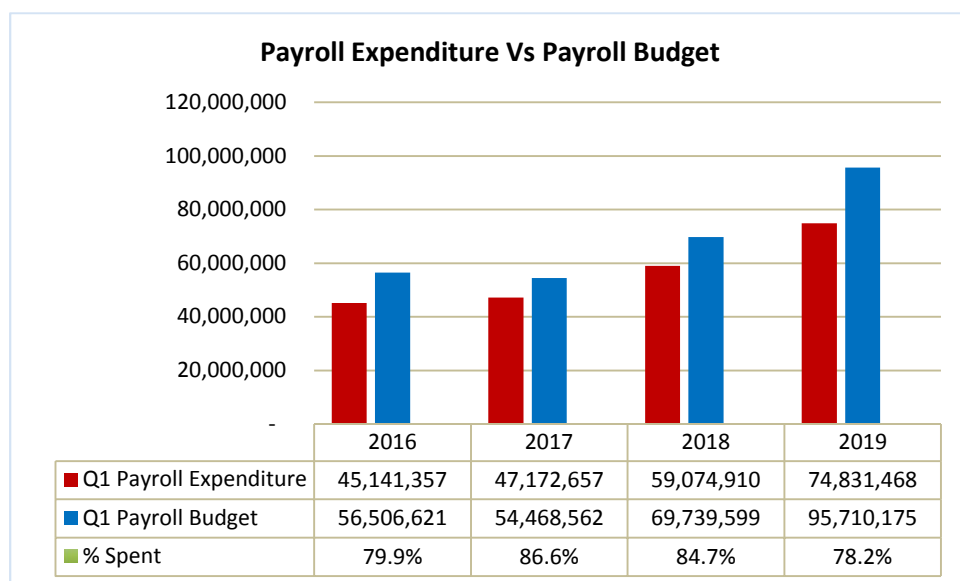
44BC	Embassy, Brussels	4,368,771	3,708,981	8,077,752	8,927,718	849,966
44BD	Embassy Beijing					
	Personnel Expenses	3,834,180	-	3,834,180	4,179,873	345,693
	Operating Expenses	5,510,655	10,000	5,520,655	2,831,739	(2,688,916)
44BD	Embassy Beijing	9,344,835	10,000	9,354,835	7,011,612	(2,343,223)
44BE	Consulate, Auckland					
	Personnel Expenses	1,606,552	-	1,606,552	1,699,383	92,831
	Operating Expenses	2,500,763	-	2,500,763	1,249,995	(1,250,768)
44BE	Consulate, Auckland	4,107,315	-	4,107,315	2,949,378	(1,157,937)
44BF	High Commission, Suva					
	Personnel Expenses	3,875,368	-	3,875,368	4,156,422	281,054
	Operating Expenses	2,781,271	-	2,781,271	1,988,259	(793,012)
44BF	High Commission, Suva	6,656,639	-	6,656,639	6,144,681	(511,958)
44BG	Canberra Mission					
	Personnel Expenses	1,330,380	-	1,330,380	3,601,917	2,271,537
	Operating Expenses	4,863,227	-	4,863,227	2,426,883	(2,436,344)
44BG	Canberra Mission	6,193,607	-	6,193,607	6,028,800	(164,807)
44BH	Wellington Mission					
	Personnel Expenses	5,264,397	57,940	5,322,337	5,801,601	479,264
	Operating Expenses	4,813,998	185,000	4,998,998	2,499,987	(2,499,011)
44BH	Wellington Mission	10,078,395	242,940	10,321,335	8,301,588	(2,019,747)
44BI	Geneva Mission					
	Personnel Expenses	5,671,563	-	5,671,563	3,845,128	(1,826,435)
	Operating Expenses	(532,089)	1,811,626	1,279,537	938,139	(341,398)
44BI	Geneva Mission	5,139,474	1,811,626	6,951,100	4,783,267	(2,167,833)
44CC	Honorary Consuls					
	Operating Expenses	65,000	180,500	245,500	279,999	34,499
44CC	Honorary Consuls	65,000	180,500	245,500	279,999	34,499
44DD	Protocol & Consular					
	Operating Expenses	(431,965)	571,445	139,480	165,000	25,520
44DD	Protocol & Consular	(431,965)	571,445	139,480	165,000	25,520
44DF	Corporate Services					
	Personnel Expenses	16,165,717	2,426	16,168,143	18,242,803	2,074,660
	Operating Expenses	7,644,844	15,920,595	23,565,439	3,884,478	(19,680,961)
44DF	Corporate Services	23,810,561	15,923,021	39,733,582	22,127,281	(17,606,301)
44DG	Grant to MSG					
	Operating Expenses	-	30,000,000	30,000,000	30,000,000	-
44DG	Grant to MSG	-	30,000,000	30,000,000	30,000,000	-
44DH	Maritime & Ocean Affairs Division					
	Personnel Expenses	1,753,763	-	1,753,763	1,697,102	(56,661)
	Operating Expenses	2,605,362	465,477	3,070,839	626,106	(2,444,733)
44DH	Maritime & Ocean Affairs Division	4,359,125	465,477	4,824,602	2,323,208	(2,501,394)
	Total Expenditure	114,666,984	59,037,038	173,704,022	153,504,059	(20,199,963)

Ssource: Department of Finance & Treasury

1.3. Payroll Budget Management and Planning

The first quarter budget for payroll for 2019 was VT 95,710,175 and total expenditure was VT 74,831,468. The Ministry had underspent on its payroll budget by 21.8 percent or VT 20.9 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	152,267	-	260,984	-	918,441	107,307	746,183	265,386	281.2%
8AAB	Responsibility Allowance			27,600	-			-	66,924	0.0%
8AAF	Family Allowance	306,312	464,950	304,880	10,354,575	1,468,284	3,040,266	2,853,648	3,101,889	92.0%
8AAG	Gratuitie Allowances	668,388	-							
8AAH	Housing Allowances	9,557,298	11,453,059	10,258,011	10,473,153	11,211,282	13,156,230	17,942,545	14,816,997	121.1%
8AAO	Other Allowances	2,422,841	3,961,948	2,514,687	55,386	1,051,791	6,264,243	1,957,563	6,226,671	31.4%
8AAP	Home Island Passage Allowances	73,820	47,912	115,597	43,845	138,265	161,538	114,870	106,152	108.2%
8AAS	Special Allowances	69,314	-	186,102	-	995,753	-	1,625,567	-	
8ASP	Provident Fund	1,245,758	1,641,099	1,347,950	1,721,217	1,630,682	1,774,341	1,875,921	2,465,115	76.1%
8AWC	Contract Wages	176,290	-	494,568	-	58,214	9,298,179	-	-	

8AWD	Daily Rated Wages	-	100,730	-	198,924	-	244,245	-	49,731	0.0%
8AWL	Leave expense	163,876	-			863,535	-	1,561,644	-	
8AWO	Overtime Wages	42,170	-	55,000	-	69,000	-	59,000	115,386	51.1%
8AWP	Permanent Wages	30,263,023	38,836,923	31,607,278	32,421,462	40,669,663	25,404,132	46,094,527	51,801,909	89.0%
PAYR	Payroll expenses	-	-	-	(800,000)	-	10,289,118	-	16,694,015	0.0%
	Personnel Expenses	45,141,357	56,506,621	47,172,657	54,468,562	59,074,910	69,739,599	74,831,468	95,710,175	78.2%

Source: Department of Finance & Treasury

Major expenditure Items

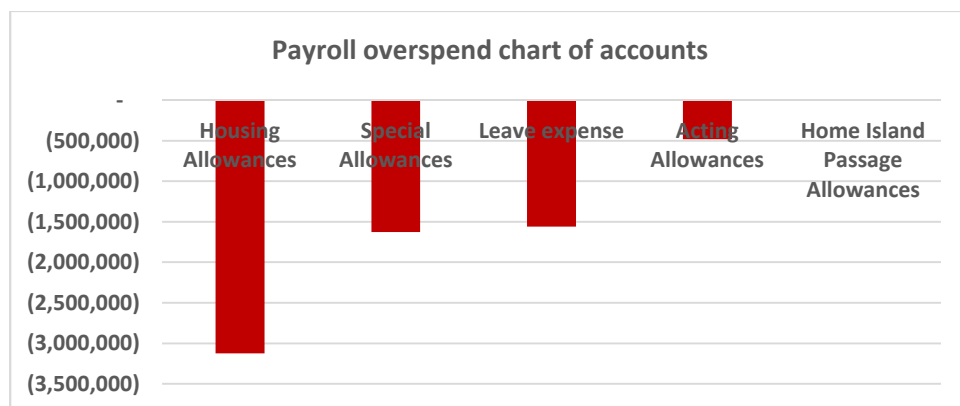
Major expenditure items in this quarter were permanent wages VT46.1 million and housing allowances VT17.9 million.

Overspent chart of accounts

Total overspent expenses for the first quarter of 2019 was VT6.8 million. This is about VT11.2 million less than the first quarter of 2018. Major overspent chart of accounts were housing allowances VT3.1 million, special allowances VT1.6 million and leave expenses VT1.6 million.

Special allowances expenses had increased over the years and no budget had been allocated to that chart of account. Leave expenses had increased by over 50 percent from 2018 and still with no allocated budget.

Figure 4: Payroll overspent chart of accounts



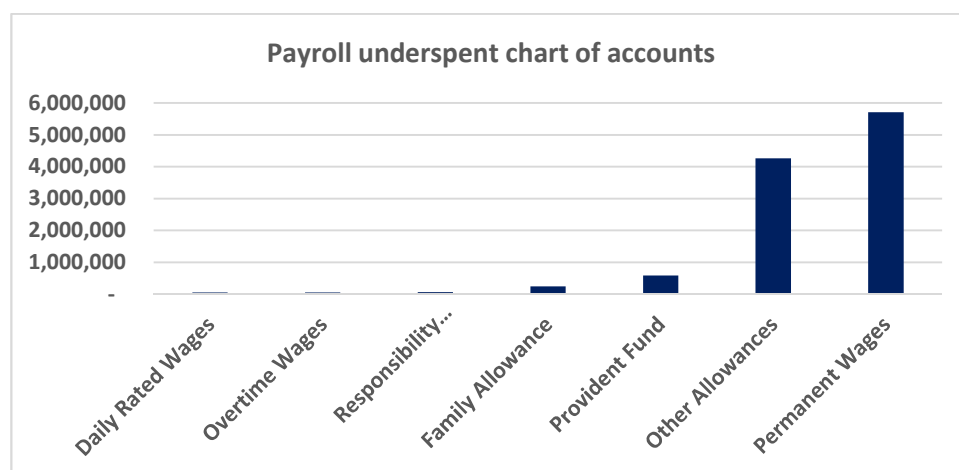
Underspent chart of accounts

The total underspent expenses in the first quarter of 2019 was VT11 million. This is about VT7.4 million less than in 2018 in the same period. Major underspent chart of accounts were permanent wages VT5.7 million and other allowances VT4.3 million.

Provident fund budget continues to increase every year but the budget was always underspent and similarly family allowances chart of accounts continue to underspent over the years.

The Ministry needs to budget accordingly and to the expenditure trend.

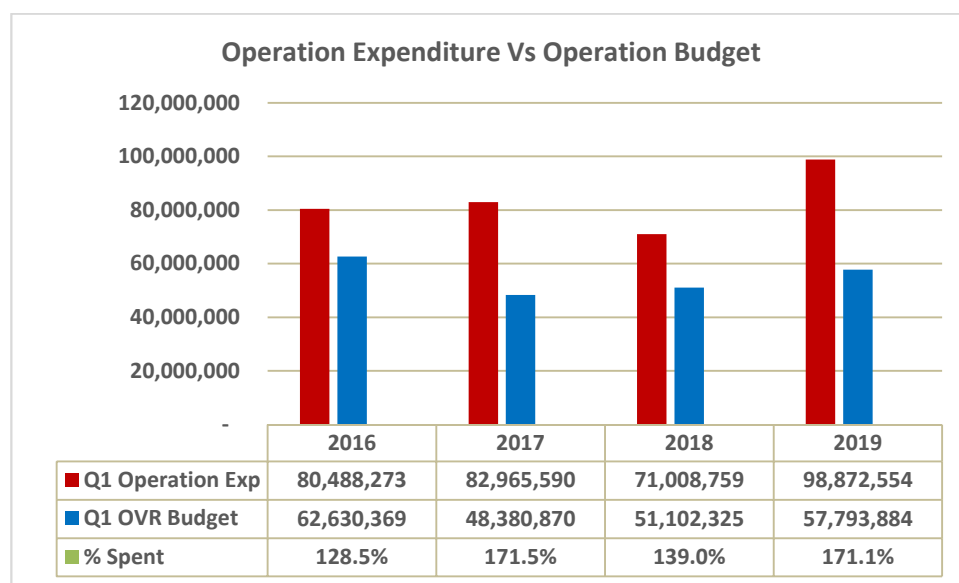
Figure 5: Payroll underspent chart of accounts



1.5. Operation Budget Management and Planning

The first quarter budget for operation for 2019 was VT57,793,884 and total expenditure was VT98,872,554. The Ministry had overspent on its operation budget by 71percent or by VT41.1 million in the first quarter of the year. A factor contributing to the overspent was funds being advanced from the future periods and expended in the quarter one period thus causing the expenditure to be more than the initial budget.

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	1,279,000	1,253,736	4,236,912	1,053,738	2,919,750	1,303,737	3,395,000	2,208,831	153.7%
8CAP	Repatriation Allowances	2,813,800	-							
8CAS	Sitting Allowances	-	3,750	-	15,000			80,000	37,500	213.3%
8CBI	International Accommodation	160,000	299,997	680,630	199,998	776,730	562,497	1,416,000	1,277,497	110.8%
8CBL	Local Accommodation	58,934	79,326	-	79,326	-	79,326	-	525,894	0.0%
8CCL	Local Courses	4,808	-							
8CEM	Software Maintenance Fees							-	114,648	0.0%
8CES	Security Services	224,800	-	130,000	449,997	195,000	512,496	121,522	375,000	32.4%
8CET	Other Fees	-	-					3,019,600	-	
8CFV	Vehicles Fuel	541,125	625,074	378,665	674,997	526,407	767,496	419,134	989,964	42.3%
8CGM	Mail Carriage Freight	12,996	-	-	-	8,652	-	90,129	15,000	600.9%
8CGO	Other Charges - Freight					-	-	-	12,501	0.0%
8CGR	Transport - Freight	-	12,501	160,000	12,501	145,000	125,001	-	25,002	0.0%
8CHI	International Medical Treatment	272,125	-							
8CHL	Local Medical Treatment	265,625	-	290,585	-	1,502,860	-	660,316	-	
8CIE	Equipment Hire	-	-					-	-	
8CIF	Facilities Hire	-	12,501	1,062,222	12,501	100,000	12,501	87,131	49,998	174.3%
8CIV	Vehicles Hire			10,500	-					
8CJO	Office Cleaning	85,972	69,999	47,613	92,499	465,962	130,002	236,617	210,003	112.7%
8CKD	Advertising - Communications	113,258	-	-	50,000	98,957	-	49,478	37,500	131.9%
8CKI	Internet and Satellite Communications							39,891	-	
8CKL	Translation Communications							-	12,501	0.0%
8CKM	Advertising and Marketing							148,435	-	
8CKP	Postage - Communications	12,000	9,999	-	7,500	3,555	7,500	-	89,160	0.0%
8CKR	Printing - Communications	105,799	149,997	237,902	149,997	24,437	85,002	235,161	152,244	154.5%
8CKS	Stationery - Communications	192,656	602,496	389,747	622,500	332,402	1,032,501	446,808	475,311	94.0%
8CKT	Telephone / Fax - Communications	304,650	1,674,993	451,927	2,209,989	652,779	1,822,491	389,131	1,926,105	20.2%
8CMG	General - Materials	36,500	-	20,889	-	6,700	-	151,196	32,499	465.2%
8CMO	Office - Materials	128,889	-	115,141	-	70,597	50,001	271,513	50,001	543.0%
8CNO	Office Rental	5,780,932	7,622,781	7,472,646	3,574,989	6,405,679	4,287,483	9,780,692	5,367,141	182.2%
8CNT	Other Rental							-	274,998	0.0%
8COI	Incidentals	1,376,028	5,160,548	490,198	506,853	2,834,399	203,355	972,994	2,802,129	34.7%
8COO	International Organisation Fees	52,668,874	30,000,000	31,743,000	30,000,000	30,000,000	30,000,000	44,507,444	30,000,000	148.4%
8COP	Official Entertainment	570,752	297,498	756,707	297,498	394,742	422,499	502,062	844,899	59.4%
8COS	Insurance	828,861	-	815,274	-	93,435	-	51,906	46,776	111.0%

8COT	Termination Payment	(508,249)	-	4,783,954	-	(314,433)	-			
8COU	Uniforms							81,467	-	
8CRB	Buildings Repairs & Maintenance	693,738	1,224,999	215,083	-	339,047	274,998	932,533	87,501	1065.7%
8CRE	Equipment Repairs & Maintenance	396,821	187,500	80,085	75,000	459,566	99,999	206,304	107,502	191.9%
8CRH	Houses Repairs & Maintenance					45,000	-			
8CRM	Maintenance Contract	431,308	-	12,502	-	57,950	-	-	62,499	0.0%
8CRV	Vehicles Repairs & Maintenance	1,072,223	543,456	533,789	635,000	794,511	1,054,134	735,345	719,997	102.1%
8CRW	Vehicle Servicing							142,904	-	
8CSF	Food - Suppliers	-	-							
8CSR	Rations Suppliers	(56,036)	-							
8CTI	International Travel	727,135	5,474,979	3,324,255	3,630,252	3,728,889	2,855,778	2,447,035	3,946,652	62.0%
8CTL	Local Travel	514,138	432,291	416,232	1,064,493	98,864	1,104,789	1,055,465	1,412,487	74.7%
8CUC	Gas - Cooking Utilities					-	62,502			
8CUE	Electricity Utilities	12,414	-	-	1,274,997	(90,088)	1,909,989	-	1,881,666	0.0%
8CUW	Water Utilities			-	-	-	265,000	-	515,187	0.0%
8CZV	Value Added Tax	1,190,475	110,013	613,559	49,998	1,075,657	49,998	1,906,957	452,307	421.6%
8DAI	International Organizations	3,107,312	3,128,225	10,765,383	-	6,828,000	-	2,800,000	-	
8DGF	Fee Supplement Grant	-	-							
8DGO	Operating Grant	4,571,843	-	10,550,000	624,996	10,253,870	-	16,264,370	-	
8EBR	Buildings - Renovation							530,870	-	
8EEA	Equipment - Additional General	-	2,524,999	403,263	24,999	46,083	24,999	89,119	155,511	57.3%
8EEC	Equipment - Computer	332,267	646,251	27,398	96,251	10,431	96,252	188,852	99,999	188.9%
8EEH	Equipment - Heavy Equipment			-	-					
8EER	Equipment - Replacement General			98,356	-	76,522	-	71,109	-	
8EET	Equipment - Computer Software Purchases							40,870	-	
8EFO	Furniture - Office Furniture	112,000	482,460	1,597,423	95,001	33,047	99,999	40,922	12,501	327.3%
8FCB	Bank Charges	52,500	-	53,750	-	7,800	-	5400	11,973	42.1%
8EVR	Vehicle Replacement							4,260,872	375,000	1136.2%
OVER	Overhead expenses	-	-	-	800,000	-	1,800,000	-	-	
	Operating Expenses	80,488,273	62,630,369	82,965,590	48,380,870	71,008,759	51,102,325	98,872,554	57,793,884	171.1%

Source: Department of Finance & Treasury

Major expenditure items

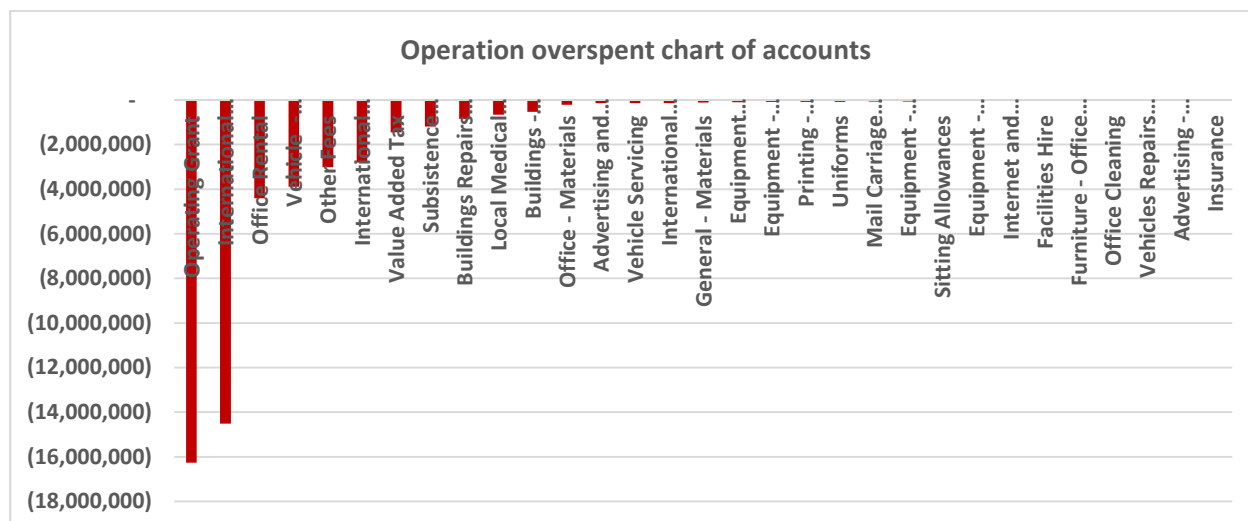
Major expenditure items in this quarter were international organisation fees VT44.5 million, operating grant VT16.3 million and office rental VT9.8 million.

Overspent chart of accounts

Total overspent chart of accounts expenses in the first quarter of 2019 was VT51.1 million. This is about VT22.7 million more than in 2018 in the same period. Major overspent expenses items were from operating grant which was VT16.3 million, international organisation VT14.5 million, office rental VT4.4 million, vehicle replacement VT3.9 million, other fees VT3 million and international organisation fees VT2.8 million.

Subsistence allowances, general and office materials, building and equipment repairs chart of accounts continue to either overspent or with no allocated budget over the years. Operating grant chart of account was overspent as funds are advanced from the first half of the year and expended in the quarter one period.

Figure 7: Operation overspent chart of accounts



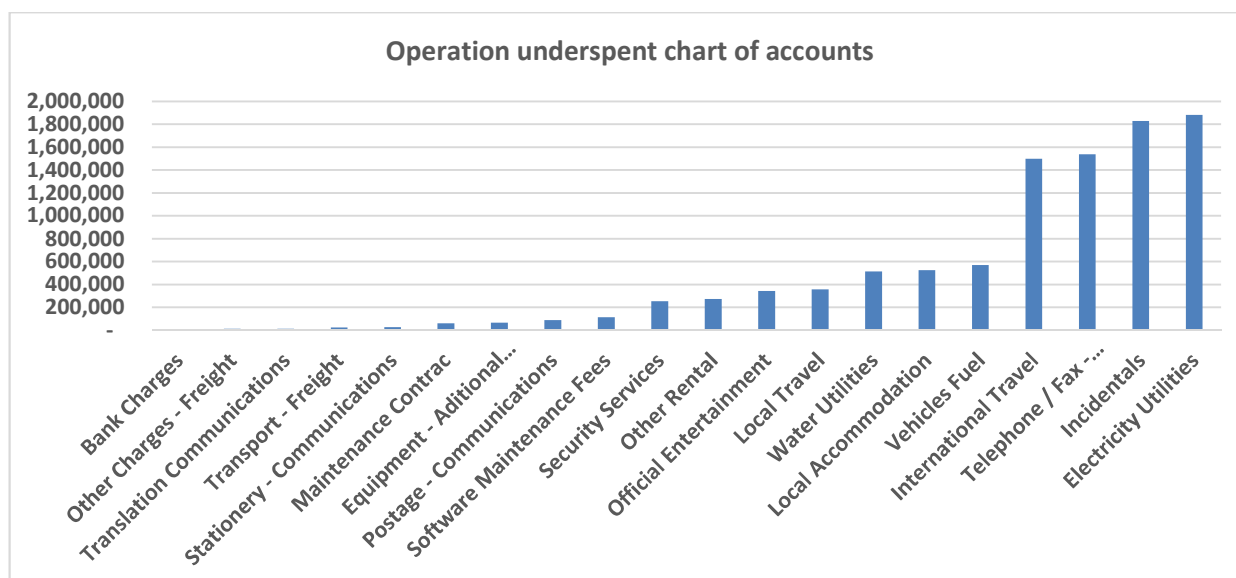
Underspent chart of accounts

Total underspent expenses in the first quarter of 2019 was VT10 million. This is about VT3.3 million more than in 2018 in the same period. Major underspent expenses items were electricity VT1.9 million, incidentals VT1.8 million, telephone/fax VT1.5 million and international travel VT1.5 million.

Vehicle fuel, stationary and telephone and local travel chart of accounts continue to underspent over the years.

The Ministry needs to budget according to expenditure trend.

Figure 8: Operation underspent chart of accounts



ASSET MANAGEMENT

The Ministry had spent VT5.2 million against its asset budget of only VT643,011 in the first quarter. Major spending was for a vehicle replacement. The Ministry needs to check its asset status before preparing budget to minimise overspending on its asset budget.

VIREMENT

There was a total of 4 virements processed in the first quarter of 2019 with a value of VT4.8 million compared to 6 virement with a value of VT55.8 million in the same period in 2018.

Table 4: Virements

Vired Out				Vired In				Amount
Fund	Department	Activity	Account	Fund	Department	Activity	Account	
2	41AA	MOAA	PAYR	2	44BI	MOBA	PAYR	3,725,771
2	44BG	MOBA	PAYR	2	41AB	MOAA	PAYR	544,831
2	44BG	MOBA	PAYR	2	41AB	MOAA	PAYR	523,646
2	44DF	MOBA	PAYR	2	44DH	MOBA	PAYR	43,193

Source: Department of Finance & Treasury

Graphs below showing number and value of virement in 2019 in the first quarter of the year and the in past three years in the same period.

Figure 9: Number of Virements 2016-2019

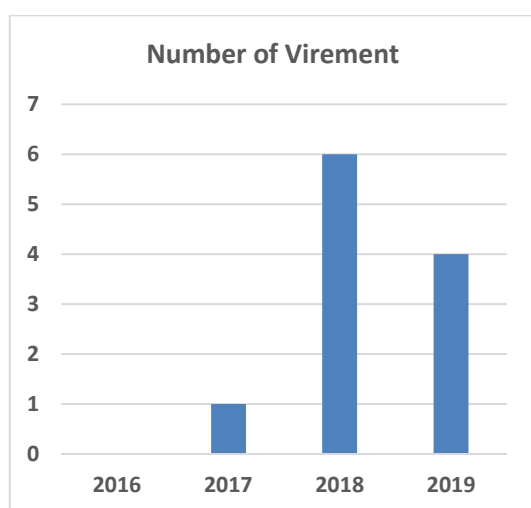
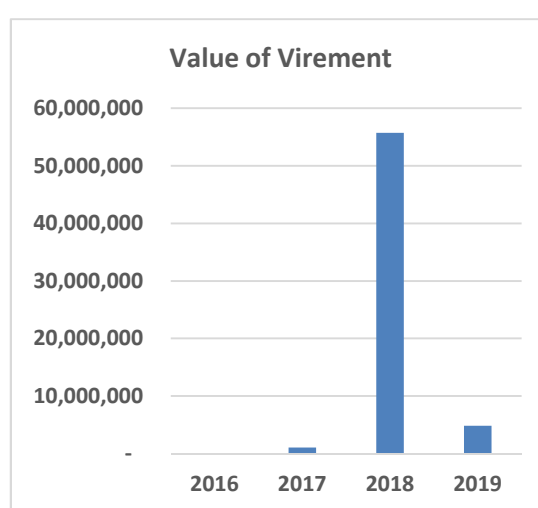


Figure 10: Value of Virements 2016-2019



IMPREST MANAGEMENT

At the end of the first quarter of 2019, the Ministry had a total of VT1,416,679 outstanding imprest to reitre.

Table 5: Outstanding Imprests as of the end of the first quarter.

Department / Section	Amount Advanced	Amount Paid	Amount Outstanding
Cabinet & DG's Office	952,645	1,133,966	- 181,321
Foreign Affairs	1,300,000	148,000	1,152,000
External Trade	446,000	-	446,000
Total	2,698,645	1,281,966	1,416,679

Source: Department of Finance & Treasury