

MINISTRY OF JUSTICE AND COMMUNITY SERVICES QUARTERLY EXPENDITURE REVIEW 2020

EXECUTIVE SUMMARY

The Ministry of Justice and Community Services (MJCS) was established in 2006 as a small Ministry with a small portfolio but over the years the portfolio has grown and currently MJCS is responsible for a large and diverse portfolio as follows: Judiciary and Judicial Service Commission; the Land Tribunal; the Ombudsman; Correctional Services Department; Public Prosecutor; Department of Women Affairs; the Public Solicitor; Malvatumauri National Council of Chiefs; Convention on the Rights of the Child (CRC); Convention on the Rights of Persons with Disability (CRPD); the Law Reform Commission; and Convention on the Elimination of all forms of Discrimination Against Women (CEDAW).

The Ministry had an overall budget deficit of VT13.7 million at the end of the period, a payroll surplus of 8.5 million and an operation deficit of VT22.26 million. One main contributing factor to the payroll surplus is the delay of new recruitments. The deficit in operations was due to most of the chart of accounts were overspent. The main expenditure items were permanent wages VT216 million, housing allowances VT27.8 million, goodwill payment VT13.2 million, VAT VT11.8 million, ration supplies VT10.8 million, provident fund VT8.9 million and electricity utilities VT8.8 million.

There was a total of twenty-three virements processed for a value of VT27.4 million.

The budget share of payroll to operation was 75 percent to 25 percent and the expenditure share of payroll to operation was 71 percent to 29 percent. The Ministry had spent more on operation than anticipated.

CABINET'S OPERATION

The Cabinet had spent 107 percent of its budget to date. The total expenditure to date is VT45.6 million which is VT4 million less than in 2019 in the same period. Major expenditures were from permanent wages VT29.7 million, housing allowances VT6.2 million, electricity utilities VT1.4 million, provident fund VT1.3 million, office rental VT1.2 million and gratuity allowances VT1.1 million. The operation budget had a deficit of VT3.1 million compared to a deficit of VT606,839 in 2019 in the same period. The deficit was due to overspent chart of accounts in the operations.

The budget share of payroll to operation is 92 percent to 8 percent and the expenditure share of payroll to operation is 85 percent to 15 percent. This is a very big gap from the normal bench mark of payroll to operation of 60 percent to 40 percent. Most of the budget were allocated for personal expenses and very less for operation expenses. There was only one virement for a value of VT283,874 that was processed to date.

The Cabinet had already spent 73 percent of its annual budget and with that current rate of spending it will spent within its budget by the end of the year.

CORPORATE SERVICE'S OPERATION

The Corporate Services had spent 94 percent of its budget to date. Major expenditures were from permanent wages VT23.2 million, goodwill payment VT12.2 million and building repairs VT2.2 million. The payroll expenditure was reduced by 6 percent compared to the previous year due to reduced spending in the permanent wages and provident fund. The operation expenditure had increased by 41 percent compared to the previous year due to significant spending of goodwill payment.

The budget share of payroll to operation is 50 percent to 50 percent and the expenditure share of payroll to operation is 51 percent to 49 percent. There were four virements for a value of VT15.4 million that was processed in the third quarter.

The Corporate Services had already spent 8 percent of its annual budget and with that current rate of spending it is most likely that it will not utilized all its budget by the end of the year.

DEPARTMENT OF WOMEN'S AFFAIRS

The Department had spent 85 percent of its budget to date. Major expenditures were from permanent wages VT12.1 million and housing allowances VT1.7 million. The payroll expenditure was reduced by 0.4 percent compared to the previous year in the same period. The operation expenditure was also reduced by 49 percent compared to the previous year in the same period. The reduction in operation spending was mainly to reduction in spending by over 50 percent in subsistence allowances, office cleaning, general materials, official entertainment, local travel and VAT compared to the previous year in the same period.

The budget share of payroll to operation is 85 percent to 15 percent and the expenditure share of payroll to operation is 87 percent to 13 percent. Expenditure was close to what was anticipated.

The Department had already spent 62 percent of its annual budget and with that current rate it is most likely that it will not utilize all its budget by the end of the year.

DEPARTMENT OF CORRECTIONAL SERVICES

The Department had spent 102 percent of its budget to date. The total expenditure had increased by 7 percent compared to the previous year in the same period. Major expenses were from permanent wages VT122.4 million, housing allowances VT15.7 million, ration supplies VT10.8 million, VAT VT5.9 million, electricity utilities VT5.8 million and provident fund VT4.9 million.

The payroll expenditure had increased by 12 percent compared to the previous year in the same period. The increased of expenditure was due recruitments of officers to permanent positions. The operation expenditure had decreased by 7 percent compared to 2019 in the same period. The decreased in expenditure was mainly due to less spending in subsistence allowances, local travel and general materials.

The budget share of payroll to operation is 79 percent to 21 percent and the expenditure share of payroll to operation is 77 percent to 23 percent. The operation expenditure was more than was as anticipated. There was a total of fifteen virement requests that was processed for a value of VT10.2 million.

The Department had already spent 75 percent of its annual budget and with that current rate of spending it will utilize all its budget by the end of the year.

CUSTOMARY LANDS MANAGEMENT OFFICE

The Office had overspent its budget by 37%, this is due to NPP funds being advanced and expended in the current period. Major expenses were from permanent wages VT14.4 million, printing communications VT3.8 million, vehicle replacement VT3.1 million, and local travel VT2.1 million.

The payroll expenditure had increased by 33 percent due to more recruitments compared to 2019 in the same period. The operation expenditure had also increased by 45 percent compared to 2019 in the same period. The increased of expenditures was mainly due to increased spending in printing-communication, building repairs, VAT, equipment-computers and new vehicle.

The budget share of payroll to operation is 60 percent to 40 percent and the expenditure share of payroll to operation is 41 percent to 59 percent. The normal bench mark of payroll to operation is 60 percent to 40 percent and CLMO had spent otherwise on what it had anticipated.

The office had already spent 75 percent of its annual budget and with that current rate of spending it should be able to utilize all its budget by the end of the year.

VANUATU LAW COMMISSION

The Commission had spent 104 percent of its budget. Major expenditure was from the permanent wages chart of account VT13.7 million. The payroll expenditure had increased by 31 percent compared to 2019 in the same period due to new recruitments. The operation expenditure had increased by 23 percent compared to 2019 in the same period. The increased expenditure was mainly due to increased spending in subsistence allowances and local travel.

The budget share of payroll to operation is 101 percent to -1 percent and the expenditure share of payroll to operation is 80 percent to 20 percent. More funds had been shifted to payroll thus there was less for operations as normal bench mark of payroll to operation is 60 to 40 percent.

The Commission had already spent 33 percent of its annual budget and if that current rate of spending continues it is most likely that it will not utilize all its funds by the end of the year.

POLICY IMPLICATION

The normal bench mark for payroll to operation budget is 60 percent to 40 percent and only the Customary Lands Management office budget is closer to that bench mark. The other Departments need to redistribute their budget in the future or they will be having very little operation budget to work with and may not be achieving its quarterly targets. The operation share is quite too low in most of the departments.

Spending against zero budget indicated that the expenses were not anticipated when preparing the budget input. It is important to budget according to the plans so that at the end of the day the plans are carried out otherwise the budget will be diverted to unplanned activities and also to minimize overspending and underspending on the chart of accounts.

REVENUE

The Ministry did not budget to collect any revenue for 2020 but collected VT185,480 from other fees at the end of the third quarter. The revenue collected were from the Customary Lands Management Office from the Recorded Interest in land certificates.

CONCLUSION

The Ministry had spent 103.7 percent of its budget and a total expenditure of VT381.9 million which is 11 percent more of 2019 expenditure in the same period. Personal expenses had increased due to new recruitments and operating expenses had also increased significantly by the following chart of accounts; goodwill payment, printing communications, vehicle replacement, VAT and building repairs.

The Ministry had already spent 33 percent of its annual budget and with the current rate of spending it will most likely to have a significant budget surplus at the end of the year.

APPENDIX

GRAPHS

Figure 1: Q3 Expenditure Vs Q3 Budget

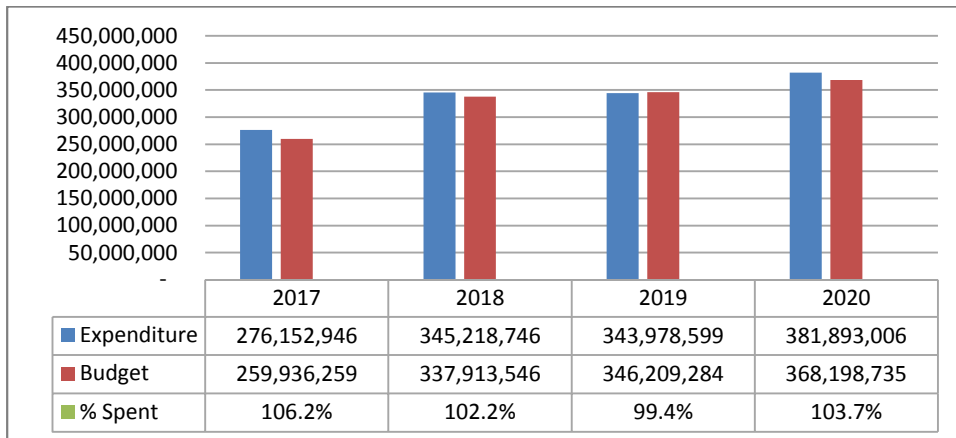


Figure 2: Q3 Payroll Budget to Operation Budget Ratio

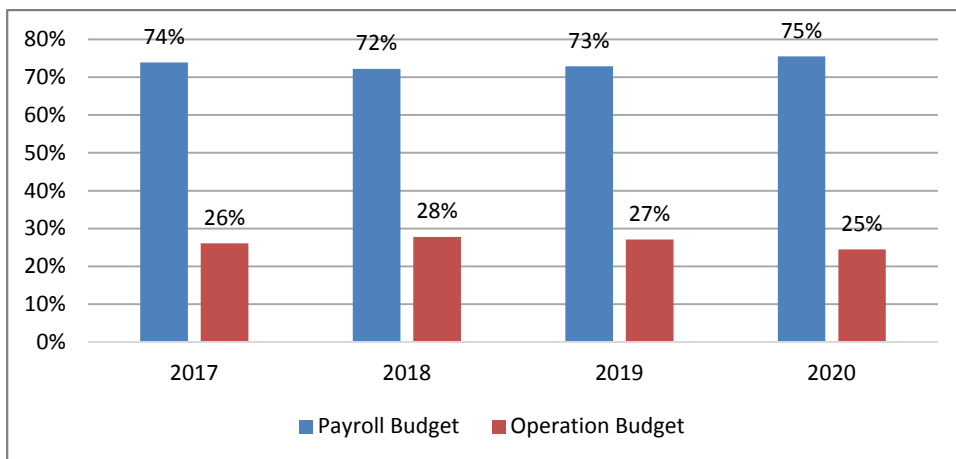
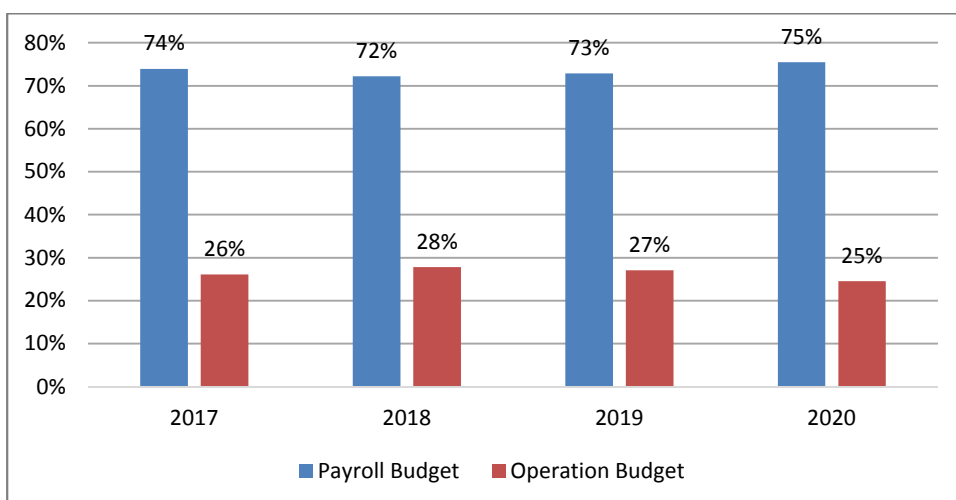


Figure 3: Q3 Payroll Expenditure to Operation Expenditure



TABLES

Table 1: Expenditure Summary

Code	Description	Actual	Commitment	Total	Budget to Date	Under/(Over) Budget	Warrant Released	Warrant Remaining	Annual Budget	Annual Budget Remaining
07	Ministry of Justice and Community Service									
07AA	Cabinet Operations	44,597,106	1,019,818	45,616,924	42,511,310	(3,105,614)	45,579,508	(37,416)	62,804,171	17,187,247
07	Ministry of Justice and Community Service	44,597,106	1,019,818	45,616,924	42,511,310	-3,105,614	45,579,508	-37,416	62,804,171	17,187,247
08	Department of Womens Affairs									
08AA	Policy Section	16,929,027	360,505	17,289,532	19,580,331	2,290,799	19,580,331	2,290,799	26,730,689	9,441,157
08BA	Tafea Provincial Office	120,000	-	120,000	225,009	105,009	225,009	105,009	300,000	180,000
08BB	Shefa Provincial Office	65,110	-	65,110	225,009	159,899	225,009	159,899	300,000	234,890
08BC	Malampa Provincial Office	791	791	1,582	225,009	223,427	225,009	223,427	300,000	298,418
08BD	Penama Provincial Office	23,151	33,705	56,856	225,009	168,153	225,009	168,153	300,000	243,144
08BE	Sanma Provincial Office	163,315	-	163,315	225,009	61,694	225,009	61,694	300,000	136,685
08BF	Torba Provincial Office	36,380	6,325	42,705	225,009	182,304	225,009	182,304	300,000	257,295
08	Department of Womens Affairs	17,337,774	401,326	17,739,100	20,930,385	3,191,285	20,930,385	3,191,285	28,530,689	10,791,589
25	Correctional Services									
2501	Office of the Director	24,075,860	1,573,785	25,649,645	23,723,261	(1,926,384)	26,467,117	817,472	72,378,396	46,728,751
2502	Correctional Centre (North)	58,723,787	4,196,965	62,920,752	65,893,839	2,973,087	63,093,839	173,087	88,811,698	25,890,946
2503	Probation (North)	10,534,175	815,936	11,350,111	11,599,045	248,934	11,419,045	68,934	15,540,216	4,190,105
2504	Parole	629,550	71,890	701,440	725,381	23,941	725,381	23,941	1,754,444	1,053,004
2505	Correctonal Centre (South)	82,642,576	3,954,862	86,597,438	81,703,114	(4,894,324)	88,075,641	1,478,203	112,167,404	25,569,966
2506	Probation (South)	13,258,565	310,622	13,569,187	13,957,328	388,141	13,777,328	208,141	19,049,576	5,480,389

25	Correctional Services	189,864,513	10,924,060	200,788,573	197,601,968	-3,186,605	203,558,351	2,769,778	309,701,734	108,913,161
30	Ministry of Justice & Social Welfare Corporate Service Unit									
30AA	MoJCSCorporate Service Unit	36,662,031	2,519,481	39,181,512	42,344,154	3,162,642	42,720,554	3,539,042	664,930,963	625,749,451
30AB	Convention on the Right of People with Disability	4,225,720	78,660	4,304,380	5,219,432	915,052	5,219,432	915,052	8,836,266	4,531,886
30AC	Convention on the Right of a Child (CRC)	4,374,727	231,980	4,606,707	4,433,002	(173,705)	4,433,002	(173,705)	6,268,410	1,661,703
30AD	Land Ombudsman	4,947,239	-	4,947,239	4,568,621	(378,618)	4,568,621	(378,618)	6,251,805	1,304,566
30	Ministry of Justice & Social Welfare Corporate Service Unit	50,209,717	2,830,121	53,039,838	56,565,209	3,525,371	56,941,609	3,901,771	686,287,444	633,247,606
84	Customary land management Office									
84AA	Customary land management Office	40,929,390	4,649,660	45,579,050	33,219,197	(12,359,853)	46,567,839	988,789	61,126,694	15,547,644
84	Customary land management Office	40,929,390	4,649,660	45,579,050	33,219,197	-12,359,853	46,567,839	988,789	61,126,694	15,547,644
85	Vanuatu Law Commission									
85AA	Vanuatu Law Commission	18,670,560	458,961	19,129,521	17,370,666	(1,758,855)	19,808,824	679,303	26,042,750	6,913,229
85	Vanuatu Law Commission	18,670,560	458,961	19,129,521	17,370,666	-1,758,855	19,808,824	679,303	26,042,750	6,913,229
M15	Ministry of Justice and Social Welfare	361,609,060	20,283,946	381,893,006	368,198,735	-13,694,271	393,386,516	11,493,510	1,174,493,482	792,600,476

Table 2: Budget and Expenditure by chart of accounts: Figures in red font are expenses against no allocated budget, highlighted yellow figures are overspent chart of accounts.

	Cabinet		CSU		Women's Affairs		Correctional		CLMO		VLC	
Description	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget
Personnel Expenses												
Acting Allowances			105,654	-	-	73,075	3,710,262	1,228,256			139,344	-
Responsibility Allowance			216,882	-	-	409,232	84,000	-				
Shift Allowance							1,061,910	1,292,124				
Family Allowance	86,795	429,694	248,365	594,662	293,480	473,528	2,993,461	4,614,722	256,050	190,723	157,320	157,843
Gratuitie Allowances	1,117,366	-										
Housing Allowances	6,192,962	5,699,995	1,785,682	2,236,150	1,745,491	2,236,149	15,659,856	17,481,741	1,597,350	1,311,383	786,600	789,232
Other Allowances			20,000	-	-	190,000						
Home Island Passage Allowances					68,573	-	174,623	150,737				
Provident Fund	1,296,075	1,197,818	937,257	1,236,854	514,595	597,549	4,893,854	5,126,183	655,776	713,650	554,838	501,515
Contract Wages			132,615	-	810,420	-	2,607,250	-	1,898,593	-		
Daily Rated Wages			155,500	-					55,676	-		
Leave expense	369,955	-	-	-	-	-	322,927	-	14,440,551	17,650,645	13,730,810	12,380,104
Overtime Wages	175,000	190,000										
Permanent Wages	29,725,817	29,325,836	23,227,155	30,326,775	12,054,189	13,792,680	122,420,544	121,018,416				
Payroll expenses	-	2,120,627	-	(6,317,832)	-	-	-	4,768,170	-	-	-	3,760,113
Personnel Expenses	38,963,970	38,963,970	26,829,110	28,076,609	15,486,748	17,772,213	153,928,687	155,680,349	18,903,996	19,866,401	15,368,912	17,588,807
Operating Expenses												
Subsistence Allowances	12,000	-	594,240	1,500,000	105,000	285,021	949,690	1,501,493	1,935,000	450,000	820,000	-

Food Allowances			16,000	-								
Sitting Allowances							399,000	273,600	-	299,997	80,000	330,000
Good Will Payment	947,369	-	12,235,290	-								
International Accommodation							43,207	-				
Local Accommodation	65,634	-	32,817	60,000	-	292,482	330,392	228,000	190,435	450,000		
Consultants Fees							436,441	-				
Other Fees			338,075	75,000			926,363	16,720			7,331	-
Vehicles Fuel	254,801	540,000	527,935	504,000	70,720	180,000	2,637,676	2,730,936	301,568	453,330	38,250	114,750
Mail Carriage Freight			-	6,750					-	26,253		
Other Charges - Freight			5,961	-			16,600	-				
Transport - Freight			800	-	1,280	11,250	133,706	269,800	109,046	303,750		
Local Medical Treatment							132,687	-	-	78,903		
Other Medical Treatment							8,250	-				
Boat Hire									194,400	-		
Equipment Hire	20,945	-	125,496	129,150			59,300	-	20,000	187,497		
Facilities Hire			116,448	-	19,130	-	165,259	250,800	562,022	450,000		
Vehicles Hire							10,000	-	-	374,994		
Office Cleaning	59,390	45,000	256,371	108,000	13,375	165,015	677,574	849,680	435,503	150,003		
Advertising - Communications	12,500	-	233,835	-	35,652	60,003	24,870	22,800	114,575	576,999		
Internet and Satellite Communications									566,080	-		
Translation Communications									-	67,500		
Postage - Communications	17,315	-	61,550	-	-	15,003	-	7,600	-	270,000	-	2,774
Printing - Communications	33,770	27,000	418,714	810,000	229,828	112,500	181,135	456,000	3,812,981	1,005,399	78,526	18,700
Stationery - Communications	15,630	168,750	261,598	314,100	92,682	292,482	797,232	899,118	765,379	453,843	9,767	85,000
Telephone / Fax - Communications	49,308	180,000	86,271	180,000	161,465	240,021	554,076	843,496	625,871	225,000	22,479	50,625

Compensation Land							273,685	-				
Rates - Land							-	100,000				
General - Materials	30,772	60,000	355,856	208,272	36,802	-	3,560,424	2,528,263	82,289	180,000		
Office Rental	1,221,252	1,799,991	1,325,409	1,709,991	-	60,003	260,488	62,416	419,512	303,750		
Office Rental							1,866,762	2,875,470	730,438	1,199,997	695,466	-
Other Rental			-	-								
Court Costs									-	517,500		
Refunds	48,440	-	82,522	-			65,170	-				
Incidentals			22,931	130,450	170,768	165,015	(803,968)	251,475	28,132	351,837		
Official Entertainment			1,814,588	1,700,000	78,590	74,997	724,328	1,156,358	306,699	225,000	42,925	121,500
Insurance							55,000	-				
Uniforms			327,305	-			309,192	-	990,215	-		
Buildings Repairs & Maintenance	102,148	90,000	2,244,434	300,000	19,819	-	1,242,385	646,000	1,009,073	150,003		
Equipment Repairs & Maintenance	95,197	165,000	24,065	165,000	-	37,503	575,987	433,200	1,039,446	270,000		
Vehicles Repairs & Maintenance	568,118	180,000	(119,920)	300,000	141,687	150,003	1,651,214	1,603,496	353,956	524,997	267,411	40,800
Vehicle Servicing	110,383	-	35,652	-					-	225,000		
Food - Suppliers	53,462	128,997	339,120	90,000	99,641	90,000			233,261	150,003		
Medicines Suppliers							21,391	-				
Other Suppliers	6,087	-					481,602	418,000	-	74,997		
Rations Suppliers							10,849,588	9,384,043				
International Travel			257,844	225,000	-	60,003						
Local Travel	(22,770)	-	577,540	589,320	285,495	330,003	1,469,943	1,974,480	2,101,868	824,994	701,343	-
Gas - Cooking Utilities							460,049	534,432				
Electricity Utilities	1,439,523	990,000	644,188	990,000	422,266	416,871	5,798,611	5,829,200	287,489	150,003	230,480	439,875
Water Utilities	65,440	4,500	24,659	4,500	2,761	7,497	1,949,964	1,413,348	-	150,003		
Local Workshops			-	3,018,890							208,250	-

Value Added Tax	721,378	-	1,571,403	-	253,234	-	5,884,247	4,109,565	3,013,524	483,750	366,420	149,544
General Services Grant									118,304	-		
Buildings - New							140,000	-				
Equipment - Additional General			56,896	-	-	112,500	147,465	-	1,223,455	187,497		
Equipment - Computer	122,591	-	257,802	-	12,157	-	399,574	-	746,497	299,997	165,734	-
Equipment - Photocopiers			-	-			120,000	-	804,591	405,000		
Equipment - Replacement General							104,349	-	399,566	-	5,096	-
Equipment - Specialised			13,887	-								
Equipment - Computer Software Purchases			311,984	-			9,149	-	25,213	-		
Furniture - Housing Furniture			350,613	-								
Furniture - Office Furniture	128,433	-	201,705	-			325,052	20,000	40,666	180,000	21,131	-
Vehicle - Additional Vehicle									-	675,000		
Vehicle - Replacement	473,838	-	178,844	-			434,777	-	3,088,000	-		
Overhead expenses	-	(831,898)	-	15,370,177	-	-	-	231,830	-	-	-	(1,571,709)
Operating Expenses	6,652,954	3,547,340	26,210,728	28,488,600	2,252,352	3,158,172	46,859,886	41,921,619	26,675,054	13,352,796	3,760,609	(218,141)
Total Expenditure	45,616,924	42,511,310	53,039,838	56,565,209	17,739,100	20,930,385	200,788,573	197,601,968	45,579,050	33,219,197	19,129,521	17,370,666

Table 3: Virements processed to date.

Vired Out				Vired In				
Fund	Department	Activity	Account	Fund	Department	Activity	Account	Amount
2	07AA	MJAA	OVER	2	07AA	MJAA	PAYR	283,874
2	2502	MJCA	PAYR	2	2505	MJCA	PAYR	887,817
2	2506	MJCA	PAYR	2	2505	MJCA	PAYR	90,000
2	2503	MJCA	PAYR	2	2505	MJCA	PAYR	50,780
2	2503	MJCA	PAYR	2	2505	MJCA	PAYR	39,220
2	2502	MJCA	PAYR	2	2501	MJCA	OVER	512,183
2	2501	MJCA	PAYR	2	2505	MJCA	PAYR	100,000
2	2506	MJCA	PAYR	2	2501	MJCA	OVER	321,472
2	2501	MJCA	PAYR	2	2501	MJCA	OVER	339,002
2	2502	MJCA	PAYR	2	2501	MJCA	OVER	83,539
2	2502	MJCA	PAYR	2	2505	MJCA	PAYR	420,090
2	2502	MJCA	PAYR	2	2503	MJCA	PAYR	381,680
2	2502	MJCA	PAYR	2	2505	MJCA	PAYR	1,749,705
2	2501	MJCA	PAYR	2	2505	MJCA	PAYR	215,339
2	2501	MJCA	PAYR	2	2505	MJCA	PAYR	2,000,000
2	2501	MJCA	PAYR	2	2502	MJCA	PAYR	3,000,000
2	30AA	MJAB	PAYR	2	30AA	MJAB	OVER	1,035,900
2	30AC	MJAB	PAYR	2	30AA	MJAB	OVER	4,861,146
2	30AA	MJAB	PAYR	2	30AA	MJAB	OVER	8,013,131
2	30AA	MJAB	PAYR	2	30AA	MJAB	OVER	1,460,000
2	85AA	MJEA	PAYR	2	85AA	MJEA	OVER	523,903
2	85AA	MJEA	OVER	2	85AA	MJEA	PAYR	523,903
2	85AA	MJEA	PAYR	2	85AA	MJEA	OVER	523,903
Total								27,416,587