

MINISTRY OF YOUTH DEVELOPMENT AND SPORTS

QUARTER (3) EXPENDITURE REPORT 2020

1 - INTRODUCTION

This report is the quarter three (3) expenditure report for the month beginning July to September 2020. The Treasury Division under the Ministry of Finance and Economic Management (MFEM) was mandated to be producing such review on budget expenditures in a quarterly basis, with the anticipation that this should assist/inform the Ministry and its departments concern in monitoring their spending on a quarterly basis throughout this year 2020.

2 – EXECUTIVE SUMMARY

The Ministry of Youth Development and Sport was originally mandated to set policy directives for youth and sports development in Vanuatu. In 2009, the Council of Minister's made a decision in October and endorsed a corporate services unit for the Ministry, implying a fully-fledged Ministry from the Ministry of Education and Training.

Youth are one of the greatest assets that any nation can have. Not only are they legitimately regarded as the future leaders; they are, potentially and actually, the greatest investment for a country's development. They serve as a good measure of the extent to which a country can reproduce as well as sustain itself. The extent of their vitality, responsible conduct, and roles in society is positively correlated with the development of their country.

Therefore, the Ministry's corporate plan was directed through the Vanuatu National Sports Policy 2019 to 2024 and Vanuatu National Youth Development Policy 2012 to 2022 and the main aims was to focus on youth development as young people of this country to fully realize their potentialities and positively contribute to the overall development of their own country.

So, the National Sustainable Development Plan (NSDP) – 2016 to 2030 as the overall people's plan had mandated the Ministry of Youth Development and Sports under Society Pillar 4 as;

- **An inclusive society that upholds human dignity and where the rights of all Ni-Vanuatu including women, youth, vulnerable groups and the elderly are supported, protected and promoted in our legislation and institutions.**

The ministry was supported by the budget policy statement Priority Outcome number 2: **Improved Resilient Infrastructure** and also Priority Outcome number 5: **Improved Service Delivery**.

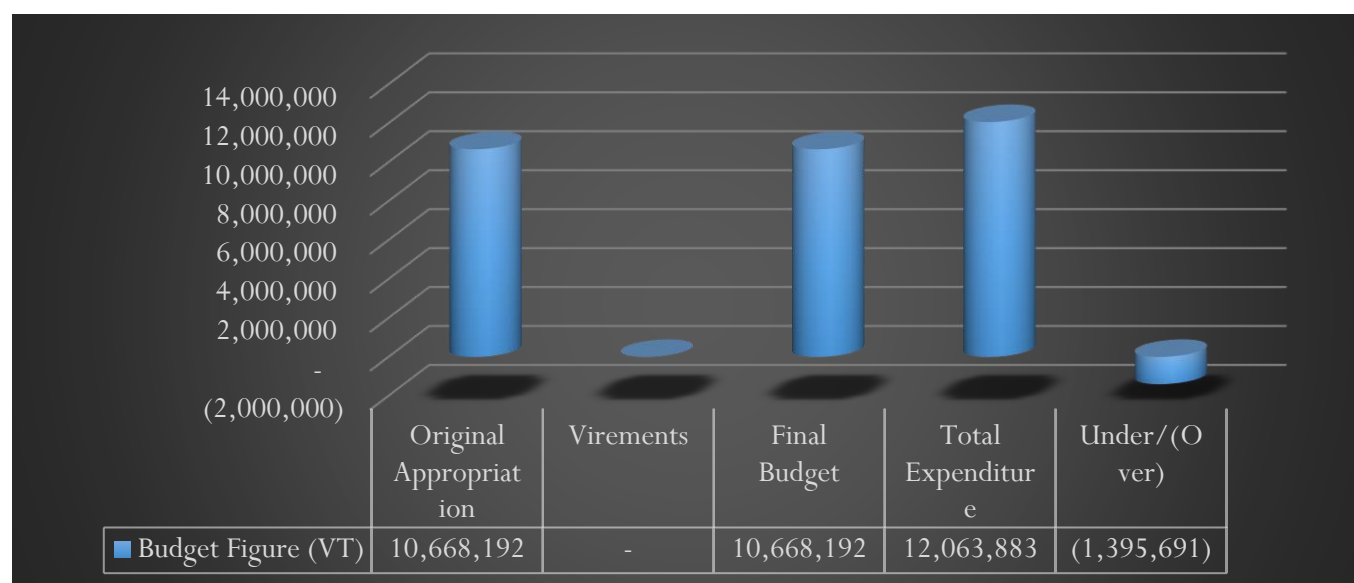
3 - KEY FINDINGS

The key findings as per this report was extracted from the Financial Management Information System (FMIS) known as Smarts Stream which had the excel version of it so called vision smarts stream report and Vision Vanuatu Budget Management System reports. The findings will provide some charts and then a summary of the expenditure trends as per this quarter against the original budget appropriation inclusive of budget virement and final budget as per the spreadsheet extraction report on annex (1) of this expenditure report.

However, this report will show tell us the overall budget expenditures figures for the quarter three and also the budget expenditure analysis on what were the causes of the under budget expenditures or over budget expenditures by looking at each cost centres and further into the chart of accounts which will clearly tell us the exact commitments to proof the expenditures against budget appropriation. The major program activities within the Ministry were **MYA - Cabinet Support Services, MYB - Department of Youth Development, Sport & Recreation, MYD - Provincial Grants Youth Development** and **MTE - Youth & Employment**.

(3.1) – CABINET BUDGET EXPENDITURES

I. Cabinet's (Q3) Budget Expenditures



(Sourced: Vision Smart Stream, Treasury Unit)

The chart (1) above had showed the ministry of Youth Development and Sports cabinet's quarter three budget expenditure to date including payroll and operation

budget allocations, see table (1) under annex below. The cabinet's original budget appropriation was over VT10 million. There was no budget virement within the cabinets budget cost centre therefore the final budget was VT10 million as similar to original budget, see chart (1) above. The total budget expenditure to date for the cabinet was VT12 million and the total budget remaining was overspent by VT1 million after quarter three period had ended.

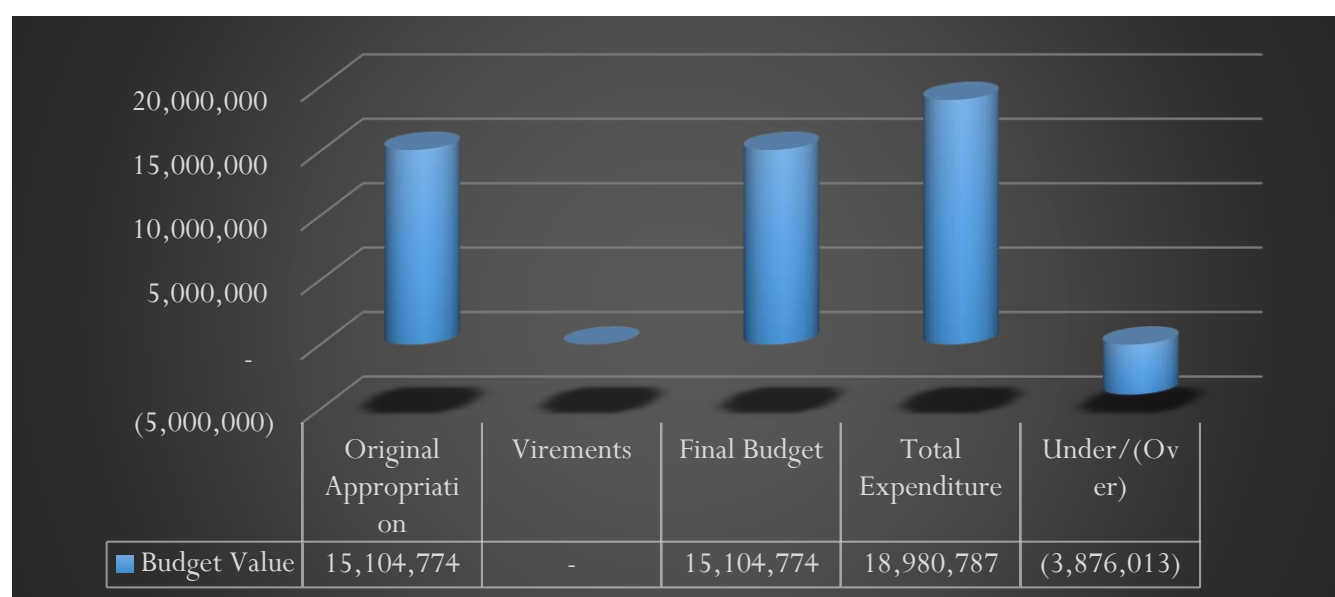
The total payroll budget allocated within the cabinet under the chart of accounts was over VT9.9 million and the budget allocation was mainly committed on account 8AWP - permanent wages including all allowances and other beneficiaries entitled to each cabinet employees. Therefore, the total payroll budget expenditure to date was VT12.1 million and the budget remaining after quarter three period had ended was negative over VT2.1 million. The payroll budget accounts was over spent due to unbudgeted accounts and under budgeted accounts as well.

The total operational budget allocated was over VT704 thousand. The total operational budget expenditures was VT0 therefore the budget remaining after quarter three period had ended was over VT704 thousand as unspent budget.

However to summarize the cabinet budget expenditures under the chart of accounts, indicated that the final budget allocated was VT10.7 million, the total budget expenditures to date was VT12.1 million and the total budget remaining was overspent by VT1.4 million. The cabinet budget expenditure was expended at 113% after the quarter three had ended.

(3.2) – DEPARTMENT OF YOUTH DEVELOPMENT AND SPORT RECREATION

II. Department of Youth Development and Sport Recreation Quarter (3) Budget Expenditures



(Sourced: Vision Smart Stream, Treasury Unit)

The department of youth development, sport and recreation original budget appropriation by quarter 3 was VT15 million. There was no budget virement within the cost centres during this quarter. Therefore, the Final budget remains as the original budget appropriation. The total budget expenditures to date was VT19 million and the budget remaining after the quarter had ended was negative VT4 million as budget over spent, see chart (2) above and table (1) under annex.

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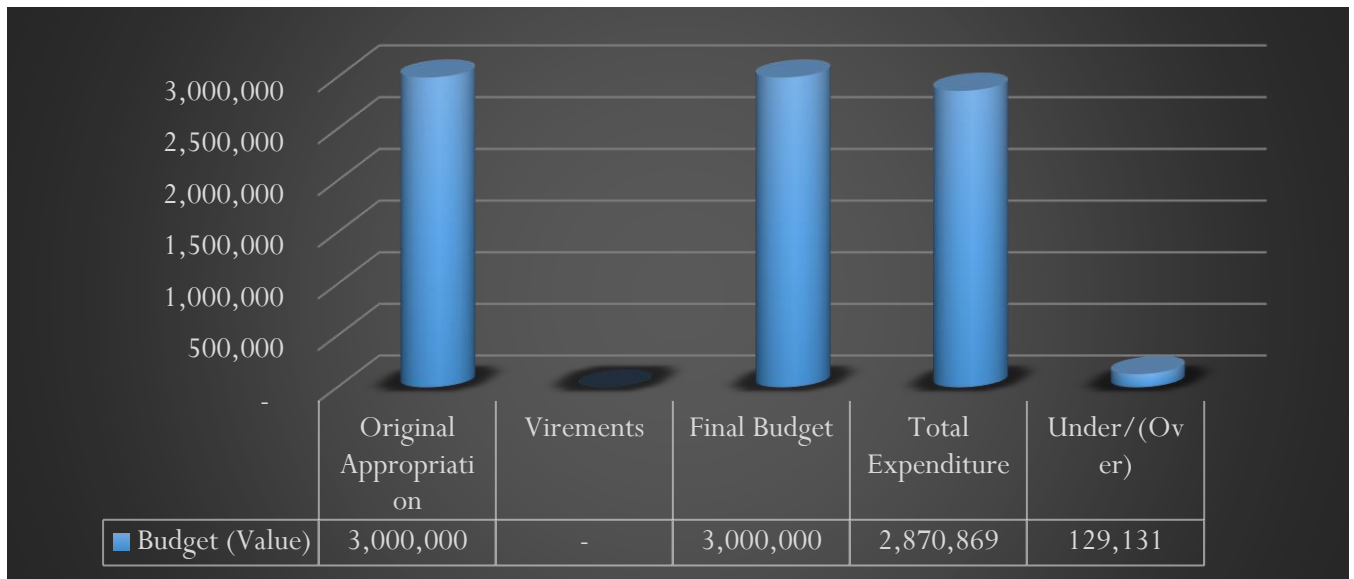
The total payroll budget allocation within the department was VT12.9 million and was expended mainly on account 8AWP - permanent wages including all government allowances and beneficiaries entitled to each department employees. Therefore, the total payroll budget expenditures to date was VT12.9 million and the budget remaining after quarter three period had ended was VT78 thousand. The total operation budget allocated within the department for the quarter (3) was VT2.1 million. The total operation budget expenditures to date was VT6.1 million and the budget remaining after quarter three period had ended was negative VT4 million as over expended.

The department of youth development and sport within the ministry was mandated to host Vanuatu National Sports Commission (VNSC) as statutory body was held under, had forecasted a revenue budget collection from the training fee of VT1,045,363 annually. This quarter (3) report showed that they had budgeted for VT657,908 to collect within the three months period (July to September) but they had collected a revenue of VT694,700 to date. Therefore, a variance of over collection of VT36,792 as reported, see table (3) under annex below.

However to summarise the department budget expenditures the total quarterly budget was VT15 million. The total budget expenditure was VT19 million therefore the total budget remaining was over spent by VT4 million, the budget allocation for the department was not allocated according to the budget expenditure. The budget allocation was less then budget expenditure therefore most of the accounts within the department were over spent. Few accounts were unbudgeted and they contribute also to the budget over spent after the quarter (3) period had ended. Therefore, they was insufficient budget during this quarter three period as reported as resulted on more commitment and over budget expenditures. The Ministry need to re-prioritise its budget against its planning activities quarterly.

(3.3) – PROVINCIAL GRANTS YOUTH DEVELOPMENT

III. Provincial Grants Youth Development Quarter (3) Budget Expenditures



(Sourced: Vision Smart Stream, Treasury Unit)

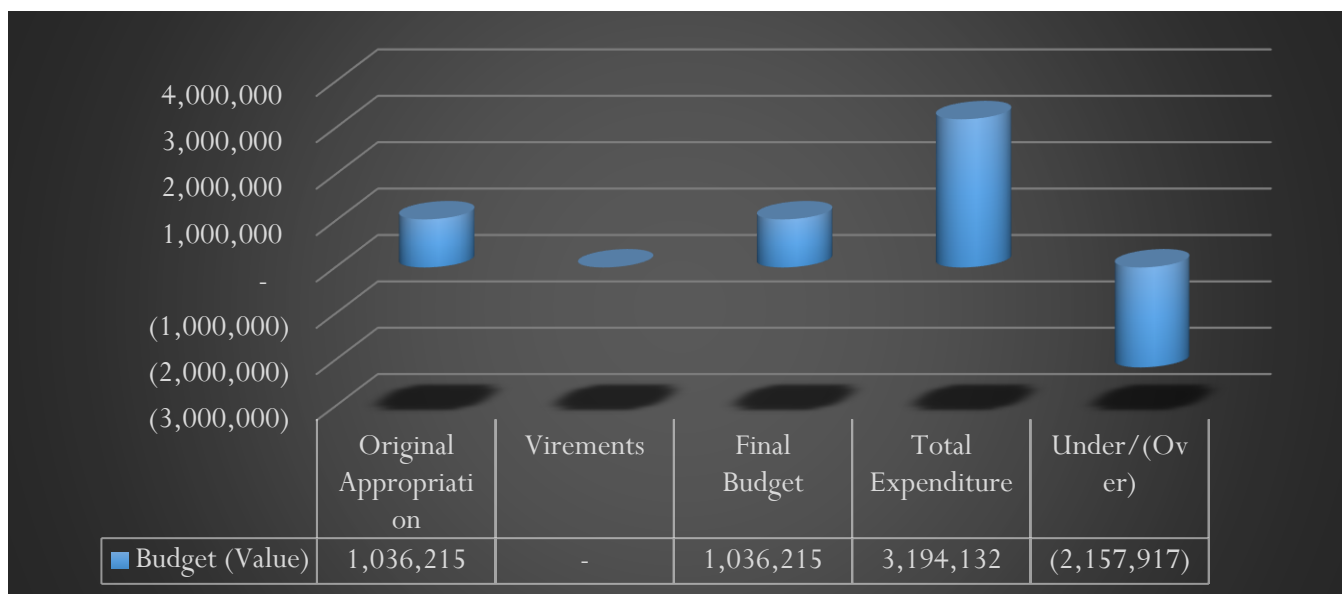
The quarter three original budget appropriation within the provincial youth grant development was VT3 million. There were no budget virement during this quarter. The total budget expenditures to date was over VT3 million and the budget remaining was VT129 thousand after quarter three period had ended, see chart (3) above and table (1) under annex.

The ministry does not have any payroll budget expenditures under the provincial grants youth development during this quarter three period. The total operation budget allocated was VT3 million as mentioned above. The total operation budget expenditures was VT3 million and therefore the budget remaining after quarter three period had ended was VT129 thousand as under budgeted.

However to summarise the overall budget expenditures as reported, the budget appropriation within the period was budgeted to cater for the commitments therefore the budget expenditure was expended within the budget ceiling which lead to under budgeted.

(3.4) – YOUTH AND EMPLOYMENT

IV. Youth and Employment Quarter (3) Budget Expenditures



(Sourced: Vision Smart Stream, Treasury Unit)

The quarter three original budget appropriation for the Youth and Employment was VT1.0 million. There was no budget virement within the cost centres therefore the final budget was VT1.0 million as original budget appropriation. The total budget expenditure to date was VT3.2 million and the budget remaining after quarter three period had ended was negative VT2.1 million, see chart (4) above and table (1) under annex.

The total payroll budget allocated into the youth and employment unit within this ministry under the chart of accounts was over VT783 thousand and the budget was committed mainly on account 8AWP - permanent wages including all government allowances and beneficiaries entitled to each employees. The total payroll budget expenditures to date was over VT1.0 million and the total budget remaining after quarter three period had ended was negative VT244 thousand.

The total operational budget allocation was VT252 thousand. The total operational budget expenditure was VT2.1 million therefore the total budget remaining after quarter three period had ended was expended over VT2 million. The finance for the ministry should be questioned on the budget over spent of VT2 million.

However to summarise the overall budget expenditures, the report indicated that the budget appropriation for this unit was VT1.0 million and was insufficient during the period therefore the budget over expenditures of VT2.1 million occurred after the period had ended. The Ministry need to re-prioritise its budget against its planning activities quarterly so that the accounts are recorded correctly against their budget expenditure.

4 - POLICY IMPLICATION

The policy implication for this ministry within the period was put on hold even though the financial support was considered as a priority in the urban and rural areas. The crisis of COVID19 pandemic, all local, regional and international sport events were put on hold. The financial support was diverted indirectly to youths but on the awareness of COVID19 crises. According to the ministry's NPP budget support there was some direct financial commitments committed into youth & empowerment this year under grass root youth & sports development.

The sports policy was not implement as per the 3rd quarter period and the youth policy has no implementation due to no financial support from the recurrent government budget policy priorities, otherwise youth council Act was suspended. The Ministry had fore casted on normal operational matters including administration matters.

Also the ministry had expended their budget indirectly into youth & sports develoment in accordance with the budget policy statement priorities as mentioned on executive summary above.

5 - CONCLUSION

To conclude on this budget expenditure report in general, the commitment for the ministry after quarter three period was ended showed that few of accounts under payroll and operations budget were not budgeted within the cost centres and committed expenditures. A lot of chart of accounts were committed over expenditure after the period had ended, see chart (2) under annex below.

The ministry should not encourage outstanding payment to carry forward otherwise it will utilised the budget appropriation for each activities with budget allocations within each periods. This quarter (3) report indicated some outstanding payments were for previous quarter periods and was carried forward and was committed expenditures under incidentals account.

6 - ANNEX/APPENDIX

6.1 Charts

I. Ministry of Youth and Sport Quarter (3) Budget Expenditures by Cost Centres

Code	Description	Original Appropriation	Virements	Final Budget	Total Expenditure	Under/(Over)	Budget Expenditure by (%)
MYA	Ministry Cabinet						

59AA	Cabinet Operations	10,668,192	-	10,668,192	12,063,883	(1,395,691)	113
MYAA	Cabinet Support Services	10,668,192	-	10,668,192	12,063,883	(1,395,691)	113
MYA	Ministry Cabinet	10,668,192	-	10,668,192	12,063,883	(1,395,691)	113
MYB	Youth Development, Sport & Recreation						
58AA	Office of the Director General	5,146,703	(1,000,000)	4,146,703	5,203,172	(1,056,469)	125
58BA	Office of Youth Development, Sport & Training	6,407,919	-	6,407,919	7,254,974	(847,055)	113
MYBA	Executive Management & Support Services	11,554,622	(1,000,000)	10,554,622	12,458,146	(1,903,524)	118
58BB	National Sport Gymnasium	3,056,670	1,000,000	4,056,670	5,977,089	(1,920,419)	147
58BC	Contribution to Youth & Sport Development	493,482	-	493,482	545,552	(52,070)	111
MYBB	Contribution to Sport & Youth Development	3,550,152	1,000,000	4,550,152	6,522,641	(1,972,489)	143
MYB	Youth Development, Sport & Recreation	15,104,774	-	15,104,774	18,980,787	(3,876,013)	126
MYD	Provincial Grants Youth Development						
58DA	Youth & Sport Development, TORBA	500,000	-	500,000	511,483	(11,483)	102
58DB	Youth & Sport Development, SANMA	500,000	-	500,000	835,707	(335,707)	167
58DC	Youth & Sports office MALAMPA	500,000	-	500,000	635,145	(135,145)	127
58DD	Youth & Sports Office, PENAMA	500,000	-	500,000	176,310	323,690	35
58DE	Youth & Sports Office SHEFA	500,000	-	500,000	277,993	222,007	56
58DF	Youth & Sports Office TAFEA	500,000	-	500,000	434,231	65,769	87

MYDA	Provincial Grants Youth Development	3,000,000	-	3,000,000	2,870,869	129,131	96
MYD	Provincial Grants Youth Development	3,000,000	-	3,000,000	2,870,869	129,131	96
MYE	Youth & Employment						
58CD	Youth Empowerment & Employment Opportunities	1,036,215	-	1,036,215	1,027,572	8,643	99
58CE	Youth Empowerment Trainings	-	-	-	2,166,560	(2,166,560)	-
MYEA	Youth & Employment Opportunities	1,036,215	-	1,036,215	3,194,132	(2,157,917)	308
MYE	Youth & Employment	1,036,215	-	1,036,215	3,194,132	(2,157,917)	308
M14	Ministry of Youth Development and Sports	29,809,181	-	29,809,181	37,109,671	(7,300,490)	124

(Extracted & Sourced by Treasury unit)

II. Quarter (3) Overall Budget Expenditures under Chart of Accounts

Account	Description	Quarter (3) Budget Appropriation	Quarter (3) Total Budget Expenditure	Quarter (3) Budget Under/(Over)
	Personnel Expenses			
8AAA	Acting Allowances	69,231	389,766	(320,535)
8AAB	Responsibility Allowance	23,076	-	23,076
8AAF	Family Allowance	221,538	125,580	95,958
8AAH	Housing Allowances	1,384,614	3,260,221	(1,875,607)
8AAO	Other Allowances	-	128,400	(128,400)
8ASP	Provident Fund	859,779	887,124	(27,345)
8AWD	Daily Rated Wages	-	551,646	(551,646)
8AWO	Overtime Wages	-	310,000	(310,000)
8AWP	Permanent Wages	21,180,564	20,352,379	828,185
PAYR	Payroll expenses	-	-	-
	Personnel Expenses	23,738,802	26,005,116	(2,266,314)
	Operating Expenses			
8CAB	Subsistence Allowances	797,799	833,910	(36,111)
8CES	Security Services	-	42,500	(42,500)

8CFV	Vehicles Fuel	271,819	517,118	(245,299)
8CGR	Transport - Freight	19,001	87,382	(68,381)
8CIB	Boat Hire	22,500	-	22,500
8CIE	Equipment Hire	18,000	-	18,000
8CIF	Facilities Hire	88,000	131,000	(43,000)
8CIV	Vehicles Hire	32,500	-	32,500
8CJO	Office Cleaning	95,250	39,923	55,327
8CKD	Advertising - Communications	23,001	24,000	(999)
8CKR	Printing - Communications	436,451	71,123	365,328
8CKS	Stationery - Communications	233,690	201,113	32,577
8CKT	Telephone / Fax - Communications	338,949	106,023	232,926
8CMG	General - Materials	116,199	171,843	(55,644)
8CMO	Office - Materials	82,686	(142,158)	224,844
8COI	Incidentals	363,228	2,254,971	(1,891,743)
8COP	Official Entertainment	203,626	84,325	119,301
8COU	Uniforms	-	28,288	(28,288)
8CRB	Buildings Repairs & Maintenance	72,850	-	72,850
8CRV	Vehicles Repairs & Maintenance	92,049	6,348	85,701
8CTI	International Travel	227,100	-	227,100
8CTL	Local Travel	784,449	856,629	(72,180)
8CUE	Electricity Utilities	311,298	246,935	64,363
8CUW	Water Utilities	120,650	5,100	115,550
8CVG	Volunteers Expenses	-	33,000	(33,000)
8CZV	Value Added Tax	673,301	723,505	(50,204)
8DGP	Provinces Grant	347,000	-	347,000
8DNS	Vanuatu Sports Council Non Profit Institution	-	1,500,000	(1,500,000)
8DNY	Vanuatu Youth Council Non Profit Institution	49,749	2,166,560	(2,116,811)
8EEA	Equipment - Additional General	226,500	1,115,867	(889,367)
8EEC	Equipment - Computer	22,734	-	22,734
OVER	Overhead expenses	-	-	-
	Operating Expenses	6,070,379	11,105,305	(5,034,926)
	Total Expenditure	29,809,181	37,110,421	(7,301,240)

III. Quarter (3) Revenue Budget vs Actuals

Account Code	Department	2020 Revised Revenue Budget	Quarter 3 Budget	Quarter 3 Actual	Variance
	58Department of Youth and Sport	1,046,363	657,908	694,700	36,792
7NFT	7NFT Training Fees	1,046,363	657,908	694,700	36,792

Total	1,046,363	657,908	694,700	36,792
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