

MALVATUMAURI NATIONAL COUNCIL OF CHIEF QUARTERLY EXPENDITURE REVIEW 2020

EXECUTIVE SUMMARY

The Malvatumauri National Council of Chiefs (MNCC) is a constitutional body set up under Chapter 5 of the Constitution. The Malvatumauri Council of Chief consists of 3 Custom Chiefs elected by their island Council of Chiefs. The 31 members of the Council represent the 20 island Councils and the 2 Urban Councils. To ensure that Vanuatu's unique customs, culture, languages and custom Land are preserved, the Malvatumauri Council of Chiefs needs to be better organized to carry out its constitutional functions in the face of mounting challenges pose by foreign system.

This is the Expenditure Report for the third quarter of 2020.

MNCC had a budget of VT65.6 million and spent 97.8 percent of that budget therefore resulting in a budget surplus of VT1.5 million at the end of the period compared to a budget deficit of VT3.6 million in 2019 in the same period.

MNCC had already spent 68 percent of its annual budget and with that current rate of spending it is most likely that there will be budget surplus at the end of the year.

MALVATUMAURI NATIONAL COUNCIL OF CHIEFS OPERATIONS

The Office Administration section had a budget of VT34.6 million but had spent only 92 percent therefore had an underspent budget of VT2.9 million. The payroll budget was underspent by VT3.9 million compared to an underspent of VT3.6 million in 2019 in the same period. A major payroll expense was permanent wages VT10.1 million. The operation budget was underspent by VT989,079 compared to a deficit of VT917,804 in 2019 in the same period. Major operation expenses were from official entertainment VT3.4 million, local travel VT3 million and subsistence allowances VT2.5 million.

The Island Council had an expenses of VT2.7 million against a zero budget at the end of the third quarter.

The Member's Allowance had a budget of VT31 million and had spent 96 percent and had a budget surplus of VT1.2 million. Total expenses was quiet the same as previous year in the same period. Major expenses was from allowances VT29.8 million.

The budget share of payroll to operation is 72 percent to 28 percent and the expenditure share of payroll to operation is 66 percent to 34 percent. Less is spent on the payroll than anticipated.

REVENUE

The Office did not budget for revenue for 2020 nor collected any revenue in the third quarter.

POLICY IMPLICATION

The chiefs play an important role in the implementation of custom land issues throughout the country. Proper execution of budget and less delay of island council grants will help the chiefs carry this role effectively.

CONCLUSION

MNCC needs to prepare better budgeting and cash flows so that funds are available in time for the activities and plans of the council.

The share of budget allocation should be shifted more to operation closer to the bench mark of 60 percent to 40 percent.

APPENDIX

GRAPHS

Figure 1: Q3 Expenditure Vs Q3 Budget

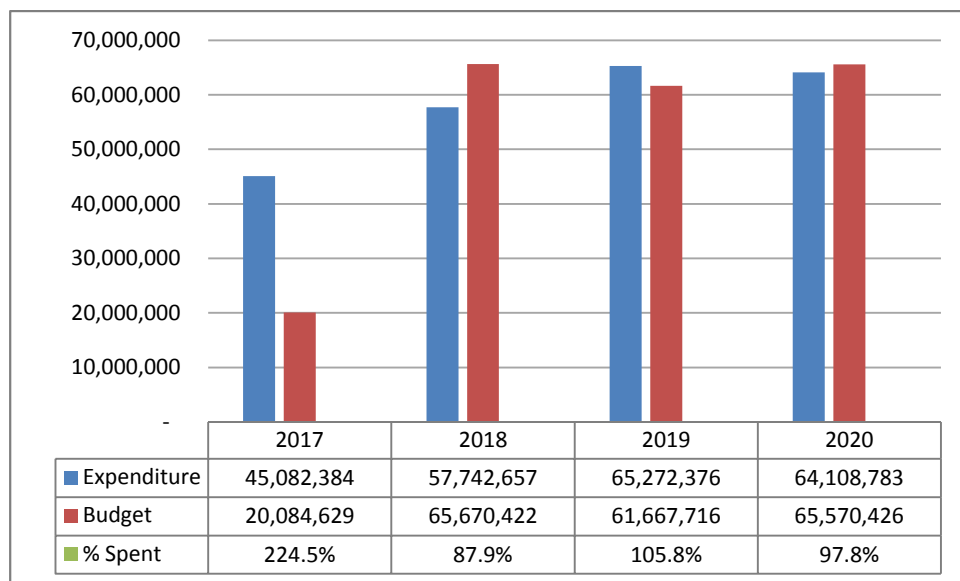


Figure 2: Q3 Payroll Budget to Operation Budget Ratio

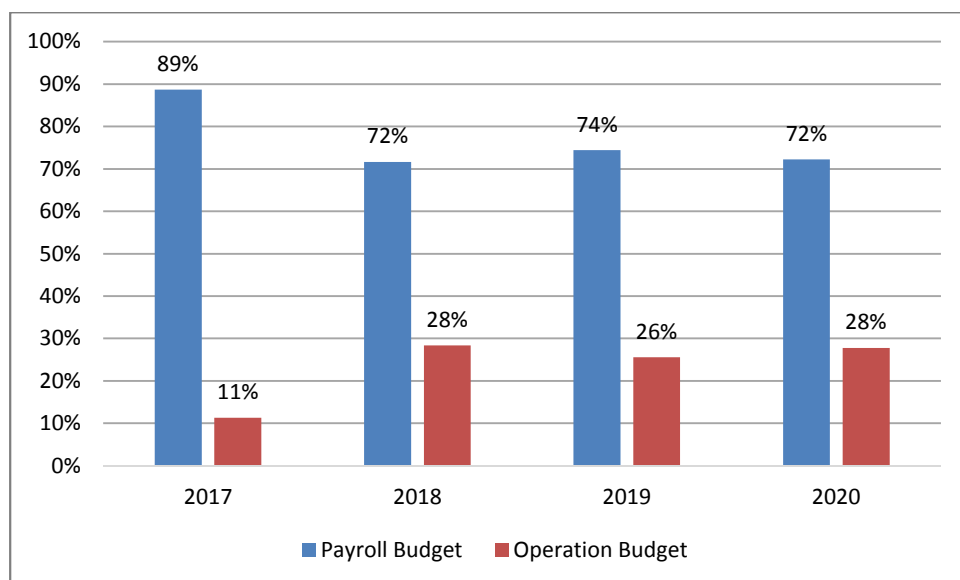
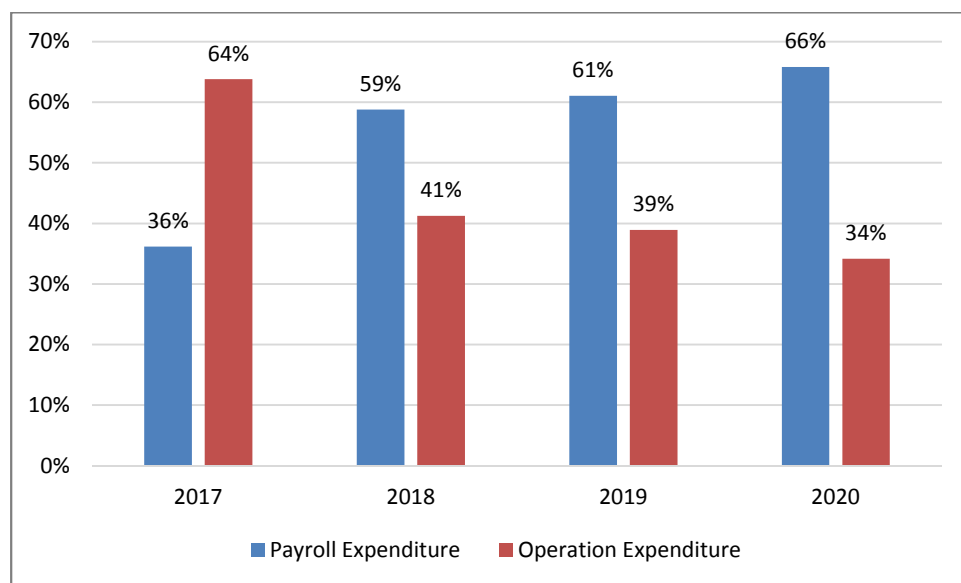


Figure 3: Q3 Payroll Expenditure to Operation Expenditure



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
04A1	Office Administration	28,188,460	3,453,416	31,641,876	34,562,812	2,920,936	35,604,183	3,962,307	46,657,455	15,015,579
04A2	Island Councils	2,418,970	274,490	2,693,460	-	(2,693,460)	2,693,500	40	5,387,000	2,693,540
04A3	Malvatumauri Members Allowance	29,773,447	-	29,773,447	31,007,614	1,234,167	31,007,614	1,234,167	42,431,490	12,658,043
04	Malvatumauri Council of Chiefs	60,380,877	3,727,906	64,108,783	65,570,426	1,461,643	69,305,297	5,196,514	94,475,945	30,367,162

Table 2: Budget and Expenditure by chart of accounts:

Account	Description	Actual	Commitment	Total	Budget	Under/(Over)
	Personnel Expenses					
8AAA	Acting Allowances	624,124	-	624,124	-	(624,124)
8AAF	Family Allowance	69,920	-	69,920	368,306	298,386
8AAH	Housing Allowances	524,400	-	524,400	1,578,464	1,054,064
8AAO	Other Allowances	30,516,588	-	30,516,588	-	(30,516,588)
8ASP	Provident Fund	418,083	-	418,083	1,760,684	1,342,601
8AWP	Permanent Wages	10,059,145	-	10,059,145	43,648,988	33,589,843
PAYR	Payroll expenses	-	-	-	-	-
	Personnel Expenses	42,212,260	-	42,212,260	47,356,442	5,144,182
	Operating Expenses					
8CAB	Subsistence Allowances	2,500,000	30,000	2,530,000	3,375,000	845,000
8CAS	Sitting Allowances	815,000	-	815,000	600,000	(215,000)

8CBI	International Accommodation	-	-	-	562,500	562,500
8CBL	Local Accommodation	66,500	-	66,500	525,000	458,500
8CEC	Consultants Fees	1,000,000	-	1,000,000	-	(1,000,000)
8CFO	Freight Fuel	78,235	-	78,235	-	(78,235)
8CFV	Vehicles Fuel	235,981	233,156	469,137	749,997	280,860
8CGR	Transport - Freight	150,922	7,925	158,847	150,003	(8,844)
8CIE	Equipment Hire	308,078	-	308,078	150,003	(158,075)
8CIF	Facilities Hire	13,043	-	13,043	225,000	211,957
8CIV	Vehicles Hire	-	-	-	225,000	225,000
8CJO	Office Cleaning	113,638	26,087	139,725	150,003	10,278
8CKD	Advertising - Communications	22,026	13,626	35,652	187,497	151,845
8CKP	Postage - Communications	-	-	-	74,997	74,997
8CKR	Printing - Communications	10,435	-	10,435	749,997	739,562
8CKS	Stationery - Communications	1,170,859	8,209	1,179,068	150,003	(1,029,065)
8CKT	Telephone / Fax - Communications	57,503	23,118	80,621	225,000	144,379
8CMG	General - Materials	(57,985)	97,600	39,615	-	(39,615)
8CMO	Office - Materials	29,674	209,000	238,674	-	(238,674)
8COI	Incidentals	-	-	-	675,000	675,000
8COP	Official Entertainment	3,337,201	24,878	3,362,079	1,210,167	(2,151,912)
8COT	Termination Payment	-	-	-	-	-
8CRB	Buildings Repairs & Maintenance	1,402,734	21,304	1,424,038	374,994	(1,049,044)
8CRE	Equipment Repairs & Maintenance	223,422	42,920	266,342	225,000	(41,342)
8CRV	Vehicles Repairs & Maintenance	350,261	-	350,261	225,000	(125,261)
8CSF	Food - Suppliers	43,479	-	43,479	-	(43,479)
8CSO	Other Suppliers	-	-	-	225,000	225,000
8CTI	International Travel	-	-	-	374,994	374,994
8CTL	Local Travel	1,956,201	1,085,795	3,041,996	2,437,344	(604,652)
8CUE	Electricity Utilities	164,358	4,337	168,695	1,499,994	1,331,299
8CUW	Water Utilities	(139,641)	1,085,267	945,626	1,499,994	554,368
8CVD	Land Logistical Costs	12,000	-	12,000	-	(12,000)

8CZV	Value Added Tax	726,150	442,280	1,168,430	749,997	(418,433)
8DAD	Donations Abroad	320,000	-	320,000	-	(320,000)
8DGO	Operating Grant	2,448,600	244,860	2,693,460	-	(2,693,460)
8EBR	Buildings - Renovation	-	-	-	391,500	391,500
8EEA	Equipment - Additional General	240,091	21,487	261,578	-	(261,578)
8EEC	Equipment - Computer	280,852	-	280,852	-	(280,852)
8EFO	Furniture - Office Furniture	289,000	106,057	395,057	225,000	(170,057)
OVER	Overhead expenses	-	-	-	-	-
	Operating Expenses	18,168,617	3,727,906	21,896,523	18,213,984	(3,682,539)
	Total Expenditure	60,380,877	3,727,906	64,108,783	65,570,426	1,461,643