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## OFFICE OF THE PUBLIC SERVICE COMMISSION THIRD QUARTERLY REPORT

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### Executive Summary

The Office of the Public Service Commission at the end of September has underspent its quarter two budget. Some adjustments are possible between payroll and operations and to cash flows on selected chart of accounts (CoAs). Reprioritization between several chart of accounts, on both the operational and payroll side, can be undertaken. Two Virement was seen in this quarter. Revenue collection is healthy and has exceeded its quarter three budget.

### Office Operations

In the third quarter of 2020, Office of the Public Service Commission has underspent its budget by VT4.6 million against a budget of VT 119.8million which makes up 60% of its annual budget (Table 1). In 2020, Q3 has a total unbudgeted expenditures of VT10.3million.

The budget and expenditure split between operations and payroll appears to significantly skew towards payroll with 79% budget allocation share and 78% expenditure share in the third quarter ([Figure 1](#)).

At the end of Q3, two out of six activities across OPSC overspent, namely CJAB Human resource Management with VT1.2million overspent (58% of its annual budget) and CJAD Human Resource Development by VT2.8million overspent. Performance Improvement unit underspent by VT3.3million, Corporate service unit underspent by VT2.0million, Public service legal unit by VT1.8million and Housing unit with VT1.4million (Table 1).

At the end of Q3 2020, the payroll underspent its budget by VT4.7million with expenditures totalled at VT89.3 million against a budget of VT94.1million budget ([Table 2](#)). The underspending came mostly from permanent wages by VT3.8million and housing allowances by VT1.4million. Apart from Home island passage allowances overspending its allocated budget, there are also unbudgeted payroll expenditures such as acting allowances, responsibility allowances, and gratuity allowances, other allowances, contract wages, leave expenses and overtime wages which has no budget allocation but spent VT3.9million in total.

Total expenditure on operations overspent its budget by VT0.04million against a budget of VT 25.6million ([Table 2](#)) thus, 52% of its annual budget was expended thus far. Savings were seen from court cost with underspending by VT2.4million, official entertainment by VT1.8million and facilities hire by VT1.0million. Major Overspendings were observed from Vehicle additional vehicles at VT2.5million with no budget, VT1.9million on local workshops with no budget and VT1.2million on Office materials ([Table 2](#)).

### Revenue

The Office of Public Service Commission recorded a revenue collection of approximately VT18.0million in this quarter ([Table 4](#)). The actual revenue collection is 37% more than its Q3 budget. The main collection was seen from the Government House Recoveries which are rentals collected

from Government Housing properties and its collections make up 96 percent of its quarter three budget.

### Virement

OPSC has requested two virement in Q3. VT1.0million was transferred from corporate services operations to support the commission payroll costs and VT0.5million was transferred from payroll to operations to allow for consultation fees payment. The approved NPP budget is stored under payroll as contract wages but the correct account is under operations hence the necessary budget transfer.

### Policy Implication

Adequate planning for activities at the OPSC with its implementation is encouraged to improve budget execution. Large unspent funds at the end of Q3, implies that some planned activities have not been implemented, but expediting on stalled activities could still lead to efficiency gains in the usage of funds. The office could reprioritize budget allocation according to past expenditure trend and also aligned to planned activities.

### Conclusion

In the third quarter of 2020, OPSC has underspent its budget and its budget execution is skewed towards payroll. Both payroll and operations has underspent each respective quarter two budgets. However it remains for OPSC to adequately budget for its planned spending accounts to allow improved budget execution. Revenue collections exceeded its budget in this quarter and the main revenue collection was seen from the government house recoveries. Overall, Business planning, budget aligning and its implementation all running parallel is recommended to improve budget execution.

## Appendix

**Table 1: Expenditure by Cost centre, Q3 2020**

Expenditures by Cost centre Q3 2020						
Code	Description	Budget Q3	Actual Q3	Under/(Over)	Annual Budget	% of Annual Budget Spent
<b>M01</b>	<b>Constitutional Agencies</b>					
<b>CJA</b>	<b>Public Service Commission</b>					
19AA	Cooperate Services	43,322,309	42,097,924	1,224,385	67,979,498	62%
19AC	Performance Improvement Unit	-	-	-	-	
19AE	Compliance Service Unit	-	-	-	-	
19AG	Fleet Management Unit	-	-	-	-	
19AH	Commission	8,967,341	8,104,484	862,857	12,396,871	65%
<b>CJAA</b>	<b>Corporate Services Unit</b>	<b>52,289,650</b>	<b>50,202,408</b>	<b>2,087,242</b>	<b>80,376,369</b>	<b>62%</b>
19AA	Cooperate Services	-	-	-	-	
19AB	Human Resources	21,830,096	23,063,268	(1,233,172)	33,894,784	68%
19AG	Fleet Management Unit	-	-	-	-	
<b>CJAB</b>	<b>Human Resource Management</b>	<b>21,830,096</b>	<b>23,063,268</b>	<b>(1,233,172)</b>	<b>33,894,784</b>	<b>68%</b>
19AC	Performance Improvement Unit	12,332,699	9,138,221	3,194,478	15,715,810	58%
19AD	Human Resource Development	-	-	-	-	
19AG	Fleet Management Unit	7,498,728	7,339,016	159,712	10,261,432	72%
<b>CJAC</b>	<b>Performance Improvement</b>	<b>19,831,427</b>	<b>16,477,237</b>	<b>3,354,190</b>	<b>25,977,242</b>	<b>63%</b>
19AA	Cooperate Services	-	-	-	-	
19AD	Human Resource Development	14,728,603	17,597,393	(2,868,790)	30,265,444	58%
<b>CJAD</b>	<b>Human Resource Development</b>	<b>14,728,603</b>	<b>17,597,393</b>	<b>(2,868,790)</b>	<b>30,265,444</b>	<b>58%</b>
19AE	Compliance Service Unit	9,546,072	7,698,946	1,847,126	20,231,056	38%
<b>CJAE</b>	<b>Public Service Legal Unit</b>	<b>9,546,072</b>	<b>7,698,946</b>	<b>1,847,126</b>	<b>20,231,056</b>	<b>38%</b>
19AF	Housing Unit	1,580,478	91,640	1,488,838	2,162,760	4%
<b>CJAF</b>	<b>Government employee Entitlements</b>	<b>1,580,478</b>	<b>91,640</b>	<b>1,488,838</b>	<b>2,162,760</b>	<b>4%</b>
<b>CJA</b>	<b>Public Service Commission</b>	<b>119,806,326</b>	<b>115,130,892</b>	<b>4,675,434</b>	<b>192,907,655</b>	<b>60%</b>
<b>M01</b>	<b>Constitutional Agencies</b>	<b>119,806,326</b>	<b>115,130,892</b>	<b>4,675,434</b>	<b>192,907,655</b>	<b>60%</b>
	<b>Grand Total</b>	<b>119,806,326</b>	<b>115,130,892</b>	<b>4,675,434</b>	<b>192,907,655</b>	<b>60%</b>

**Table 2: Expenditure by Chart of Account, Q3 2020**

Expenditures by Cost centre Q3 2020						
Account	Description	Actual Q3	Budget Q3	Under/(Over)	Annual Budget	% of Annual Budget Spent
	<b>Personnel Expenses</b>					
8AAA	Acting Allowances	1,652,032	-	(1,652,032)	-	
8AAB	Responsibility Allowance	44,260	-	(44,260)	-	
8AAF	Family Allowance	645,494	693,045	47,551	948,379	68%
8AAG	Gratuity Allowances	823,584	-	(823,584)	470,400	175%
8AAH	Housing Allowances	4,773,549	6,180,411	1,406,862	8,457,418	56%
8AAO	Other Allowances	203,440	-	(203,440)	-	
8AAP	Home Island Passage Allowances	223,627	158,708	(64,919)	217,186	103%
8ASP	Provident Fund	3,136,567	3,248,747	112,180	4,445,661	71%
8AWC	Contract Wages	667,615	-	(667,615)	3,150,000	21%
8AWD	Daily Rated Wages	-	-	-	-	
8AWL	Leave expense	386,131	-	(386,131)	-	
8AWO	Overtime Wages	161,435	-	(161,435)	-	
8AWP	Permanent Wages	76,682,146	80,525,735	3,843,589	128,371,560	60%
PAYR	Payroll expenses	-	3,310,838	3,310,838	(2,324,181)	0%
	<b>Personnel Expenses</b>	<b>89,399,880</b>	<b>94,117,484</b>	<b>4,717,604</b>	<b>143,736,423</b>	<b>62%</b>
	<b>Operating Expenses</b>					
8CAB	Subsistence Allowances	508,000	604,728	96,728	839,905	60%
8CAF	Food Allowances	255,278	-	(255,278)	-	
8CAS	Sitting Allowances	1,161,000	1,030,446	(130,554)	1,431,180	81%
8CBI	International Accommodation	-	318,051	318,051	441,741	0%
8CBL	Local Accommodation	(77,391)	495,504	572,895	668,676	-12%
8CCL	Local Courses	188,580	-	(188,580)	-	
8CEC	Consultants Fees	434,783	-	(434,783)	-	
8CET	Other Fees	297,089	-	(297,089)	-	
8CFO	Freight Fuel	49,774	-	(49,774)	-	
8CFV	Vehicles Fuel	541,567	888,723	347,156	1,184,972	46%
8CGO	Other Charges - Freight				-	
8CGR	Transport - Freight	4,939	260,046	255,107	346,732	1%
8CGS	Storage - Freight	118,451	-	(118,451)	-	
8CHL	Local Medical Treatment	182,200	55,107	(127,093)	73,480	248%
8CIE	Equipment Hire	(7,000)	142,992	149,992	198,595	-4%
8CIF	Facilities Hire	115,371	1,116,000	1,000,629	1,550,000	7%
8CJO	Office Cleaning	686,487	364,572	(321,915)	486,098	141%
8CKD	Advertising - Communications	221,488	89,037	(132,451)	123,665	179%
8CKR	Printing - Communications	865,329	588,717	(276,612)	784,960	110%

8CKS	Stationery - Communications	1,160,170	1,014,327	(145,843)	1,352,442	86%
8CKT	Telephone / Fax - Communications	545,420	257,175	(288,245)	342,900	159%
8CMG	General - Materials	50,053	150,345	100,292	200,460	25%
8CMO	Office - Materials	1,865,414	610,470	(1,254,944)	813,968	229%
8CNT	Other Rental	386,750	-	(386,750)	-	
8COC	Court Costs	1,149,800	3,600,000	2,450,200	5,000,000	23%
8COF	Refunds	99,940	-	(99,940)	-	
8COI	Incidentals	1,089,085	543,591	(545,494)	724,790	150%
8COP	Official Entertainment	1,647,857	3,463,785	1,815,928	4,626,402	36%
8COS	Insurance	5,775	13,914	8,139	19,328	30%
8COT	Termination Payment				4,095,525	0%
8COU	Uniforms				-	
8CRB	Buildings Repairs & Maintenance	671,552	900,099	228,547	1,200,136	56%
8CRE	Equipment Repairs & Maintenance	236,712	36,072	(200,640)	50,094	473%
8CRH	Houses Repairs & Maintenance	159,159	563,112	403,953	750,820	21%
8CRV	Vehicles Repairs & Maintenance	779,027	449,334	(329,693)	624,070	125%
8CRW	Vehicle Servicing				-	
8CSM	Medicines Suppliers	14,296	-	(14,296)	-	
8CTI	International Travel	62,567	745,650	683,083	1,035,631	6%
8CTL	Local Travel	228,190	956,619	728,429	1,283,500	18%
8CUC	Gas - Cooking Utilities	111,844	1,503	(110,341)	2,087	5359%
8CUE	Electricity Utilities	699,167	1,014,354	315,187	1,352,482	52%
8CUL	Lighting Utilities				-	
8CUW	Water Utilities	153,504	130,410	(23,094)	173,882	88%
8CVF	Shelter/Temporary Housing	4,348	-	(4,348)	-	
8CWL	Local Workshops	1,988,656	-	(1,988,656)	8,000,000	25%
8CZV	Value Added Tax	2,877,912	1,843,614	(1,034,298)	2,460,562	117%
8EBR	Buildings - Renovation				-	
8EEA	Equipment - Additional General	469,224	717,075	247,851	956,104	49%
8EEC	Equipment - Computer	802,111	1,161,405	359,294	1,548,546	52%
8EEP	Equipment - Photocopiers	160,372	869,661	709,289	1,159,556	14%
8EFH	Furniture - Housing Furniture	-	-	-	-	
8EFO	Furniture - Office Furniture	200,943	707,823	506,880	943,762	21%
8EVA	Vehicle - Additional Vehicle	2,565,219	-	(2,565,219)	-	
OVER	Overhead expenses	-	(15,419)	(15,419)	2,324,181	0%
	<b>Operating Expenses</b>	<b>25,731,012</b>	<b>25,688,842</b>	<b>(42,170)</b>	<b>49,171,232</b>	<b>52%</b>
	<b>Total Expenditure</b>	<b>115,130,892</b>	<b>119,806,326</b>	<b>4,675,434</b>	<b>192,907,655</b>	<b>60%</b>

**Table 3: Virement**

Virement, Q3 2020									
	Virement Out				Virement In				Amount
Month	Fund	Department	Activity	Account	Fund	Department	Activity	Account	
April	2	19AA	CJAA	OVER	2	19AH	CJAA	PAYR	1,015,419
August	2	19AC	CJAC	PAYR	2	19AC	CJAA	OVER	500,000

**Table 4: Revenue**

Revenue Q3 2020						
Account	Description	Revenue Q3	Budget Q3	Over/(Under)	Annual Budget	% of Annual Budget Spent
	<b>Revenue</b>					
7NDV	Vehicles Disposals	581,000	599,994	(18,994)	800,000	73%
7NOH	Government Houses Recoveries	17,243,683	11,249,955	5,993,728	15,000,000	115%
7NOK	Vehicle Hire	217,000	0	217,000	0	
7-Nov	Valuations Recoveries	0	1,287,684	(1,287,684)	1,716,921	0%
	<b>Revenue</b>	<b>18,041,683</b>	<b>13,137,633</b>	<b>4,904,050</b>	<b>17,516,921</b>	<b>103%</b>
	<b>Total Revenue and Receipts</b>	<b>18,041,683</b>	<b>13,137,633</b>	<b>4,904,050</b>	<b>17,516,921</b>	<b>103%</b>

**Figure 1: Payroll Vs Operations Budget and Expenditures, Q3 2020**

