
OFFICE OF THE PRESIDENT THIRD QUARTERLY REPORT

Executive Summary

The office of the President has one cost centre with one payroll and operations account. The president office has expended 74 per cent of its annual budget in the third quarter. There is room for reallocation of funds amongst the chart of accounts. One Virement is seen at the end of third quarter and the Office of the President does not collect revenue.

State Office Operations

With 75 per cent of the year elapsed, the President's Office has spent 74 per cent of its annual budget ([Table 1](#)) but further overspent its Q3 budget by 14 per cent. There is a rather significant split between how much of payroll has been spent compared to operations. Payroll has spent 68 per cent of its annual budget while operations has spent 91 per cent of its allocated budget as shown on [Table 2](#).

Payroll have incurred savings of VT1.4million at the end of quarter 3 and according to [Table 2](#) this is mainly derived from permanent wages(VT1.5million), home island passages (VT1.1million) and housing allowances(VT0.8million). Operations have overspent by VT7.0million with major overspending seen in international medical treatment by VT2.2million, building repairs and maintenance by VT1.6million and both electricity utilities and Vehicles repairs and maintenance by VT0.9million ([Table 2](#)). There is a total of VT7.1million unbudgeted accounts that incurred costs and this has shown that budget planning needs to be improved.

Better budgeting by revising allocations of funds to these chart of accounts should be considered. However, the Office should be endeavouring to keep these costs under control.

The office of the President has one Virement in this quarter of the year. The Virement totalled at VT1.5million and was a transfer from the payroll account into the operations to meet the operations expenses. It may appear that there is need of better budgeting allocation split between operations and payroll. Further, the identified overspending chart of accounts implies that more attention be taken when planning activities and aligning budget allocation on chart of accounts level.

Policy Implication

Clear defined business plans is recommended for better budget implementation and improvement in budget planning.

Conclusion

In conclusion, the State Office has overspent its quarter three budget by 14 per cent. Operations has overspent its Q3 budget and further placing the Office with about 9 per cent of its operational budget until year end. Payroll expenditures is below its quarter three budget allocation and incurred savings of VT1.4million. There is room for improvement through budget planning and reallocation of budget from least spending chart of accounts to more spending accounts.

Appendix

Table 1: Expenditure by Cost centre, Q3 2020

Expenditure by cost centre, Q3 2020						
Code	Description	Final Budget	Total Expenditure	Under/ (Over)	Annual Budget	% of Annual Budget Spent
M01	Constitutional Agencies					
CAA	Presidential Support					
01AA	Office Administration	40,025,614	45,558,649	(5,533,035)	61,553,569	74%
CAAA	Management of the State House and President	40,025,614	45,558,649	(5,533,035)	61,553,569	74%
CAA	Presidential Support	40,025,614	45,558,649	(5,533,035)	61,553,569	74%
M01	Constitutional Agencies	40,025,614	45,558,649	(5,533,035)	61,553,569	74%
	Grand Total	40,025,614	45,558,649	(5,533,035)	61,553,569	74%

Table 2: Expenditure by Chart of Account, Q3 2020

Expenditure by Chart of Account, Q3 2020						
Account	Description	Total Q3	Budget Q3	Under/Over Q3	Annual Budget	% of Annual Budget Spent
	Personnel Expenses					
8AAA	Acting Allowances	346,995	365,389	18,394	500,000	69%
8AAB	Responsibility Allowance	202,782	-	(202,782)	-	
8AAF	Family Allowance	152,502	378,480	225,978	517,920	29%
8AAG	Gratuities Allowances	719,425	-	(719,425)	2,915,954	25%
8AAH	Housing Allowances	3,389,312	4,231,151	841,839	5,790,000	59%
8AAO	Other Allowances	-	350,769	350,769	480,000	0%
8AAP	Home Island Passage Allowances	-	1,169,232	1,169,232	1,600,000	0%
8AAS	Special Allowances	349,600	-	(349,600)	-	
8ASP	Provident Fund	960,274	1,019,693	59,419	1,395,370	69%
8AWC	Contract Wages	48,000	-	(48,000)	-	
8AWL	Leave expense	1,322,081	-	(1,322,081)	-	
8AWO	Overtime Wages	190,000	-	(190,000)	-	
8AWP	Permanent Wages	22,849,243	24,397,670	1,548,427	33,386,300	68%
PAYR	Payroll expenses	-	100,779	100,779	(1,545,720)	0%
	Personnel Expenses	30,530,214	32,013,163	1,482,949	45,039,824	68%
	Operating Expenses					

8CAB	Subsistence Allowances	340,000	-	(340,000)	1,000,000	34%
8CAS	Sitting Allowances	160,000	240,000	80,000	320,000	50%
8CBI	International Accommodation			-	1,000,000	0%
8CBL	Local Accommodation	553,826	-	(553,826)	400,000	138%
8CFV	Vehicles Fuel	1,190,658	1,162,494	(28,164)	1,550,000	77%
8CGO	Other Charges - Freight	1,304	-	(1,304)	-	
8CGR	Transport - Freight	1,000	-	(1,000)	-	
8CHI	International Medical Treatment	2,272,321	-	(2,272,321)	500,000	454%
8CHL	Local Medical Treatment	91,424	74,997	(16,427)	100,000	91%
8CIE	Equipment Hire	-	75,000	75,000	100,000	0%
8CJO	Office Cleaning	147,192	150,003	2,811	200,000	74%
8CKD	Advertising - Communications	39,314	-	(39,314)	40,000	98%
8CKP	Postage - Communications			-	20,000	0%
8CKR	Printing - Communications	237,474	-	(237,474)	50,000	475%
8CKS	Stationery - Communications	242,905	225,000	(17,905)	300,000	81%
8CKT	Telephone / Fax - Communications	400,533	599,994	199,461	800,000	50%
8CMG	General - Materials	203,883	74,997	(128,886)	100,000	204%
8CMO	Office - Materials	-	74,997	74,997	100,000	0%
8COF	Refunds	-	75,000	75,000	100,000	0%
8COI	Incidentals	778,459	225,000	(553,459)	300,000	259%
8COP	Official Entertainment	497,611	300,000	(197,611)	400,000	124%
8COU	Uniforms	156,300	-	(156,300)	-	
8CRB	Buildings Repairs & Maintenance	1,710,157	75,000	(1,635,157)	100,000	1710%
8CRE	Equipment Repairs & Maintenance	274,822	74,997	(199,825)	100,000	275%
8CRH	Houses Repairs & Maintenance	423,578	112,500	(311,078)	150,000	282%
8CRV	Vehicles Repairs & Maintenance	1,045,806	150,003	(895,803)	200,000	523%
8CRW	Vehicle Servicing	8,697	-	(8,697)	-	
8CSR	Rations Suppliers			-	-	
8CTI	International Travel			-	1,000,000	0%
8CTL	Local Travel	617,747	-	(617,747)	2,100,000	29%
8CUC	Gas - Cooking Utilities	49,957	150,000	100,043	200,000	25%
8CUE	Electricity Utilities	1,624,668	749,997	(874,671)	1,000,000	162%
8CUL	Lighting Utilities	-	74,997	74,997	100,000	0%
8CUW	Water Utilities	56,001	187,500	131,499	250,000	22%
8CZV	Value Added Tax	1,445,331	1,464,255	18,924	1,952,342	74%
8EEA	Equipment - Additional General	87,410	75,000	(12,410)	100,000	87%
8EEC	Equipment - Computer	238,240	75,000	(163,240)	100,000	238%
8EEP	Equipment - Photocopiers			-	235,683	0%
8EER	Equipment - Replacement General	131,817	-	(131,817)	-	
OVER	Overhead expenses	-	1,545,720	1,545,720	1,545,720	0%
	Operating Expenses	15,028,435	8,012,451	(7,015,984)	16,513,745	91%
	Total Expenditure	45,558,649	40,025,614	(5,533,035)	61,553,569	74%