



Statement on behalf of the Honourable Attorney General on the “Exceptional Circumstance” Transaction Incurred During the 2018 and 2019 Financial Years for Portfolio of Legal Affairs

Madam Speaker, pursuant to Section 11(6) of the Public Management and Finance Law (2018 Revision), I wish to make a statement to Members of this Honourable House regarding exceptional circumstances which were approved by the Cabinet for the Portfolio of Legal Affairs during the 2018 and 2019 financial years that ended on 31 December 2018 and 31 December 2019 respectively.

Madam Speaker, the exceptional circumstances required making changes to the 2018 and 2019 appropriations - which I will briefly explain.

2018

For the financial year ending 31 December 2018, The Portfolio of Legal Affairs forecasted a favourable variance between budget to actual expenditures. The Portfolio would not fully expend its 2018 approved appropriations as a result of vacancies throughout the year, efforts to be financially prudent with spending in supplies and consumables and savings in depreciation.

With the funds remaining, the Portfolio was able to assist a fellow Government Entity seeking additional funding to cover a shortfall in its 2018 expenditures. Approval was therefore sought from Cabinet to reallocate funds from the Portfolio of Legal Affairs to Judicial Administration to assist the Judiciary with its shortfall.

Cabinet approval was granted and the following appropriations reduced for the Portfolio of Legal Affairs:

LGA 1 Legal Advice and Representation in Civil Matters \$(400,000)

LGA 3 Law Teaching and Publications \$(87,265)

LGA 4 Drafting of Legislation and Regulations \$(130,000)

LGA 7 Review and Modernization of Laws \$(150,000)

2019

In April 2019, during a sitting of the Legislative Assembly, Finance Committee approved additional funding via Section 12 for the following appropriations:

LGA 5 – Ministerial Servicing and Policy Advice to the Attorney General \$228,727

LGA 6 – Financial Intelligence Services \$374,424

EI 34 – Portfolio of Legal Affairs \$200,000

This funding was approved for additional staff and other services needed by the Anti Money Laundering Unit and Financial Reporting in relation to the CFATF Mutual Evaluation Report. In addition, funding was also approved for vehicle and equipment purchases.

In August 2019, Cabinet approved the reallocation of funding held with the Ministry of Finance and Economic Development to each of the Ministries, Portfolios, and Offices for the increase in health insurance premiums for Civil Servants. The Ministry of Finance centrally budgeted for the increase and once the increased premium rate was determined funding was transferred accordingly. As a result, the following appropriation increased:

LGA 7 Review and Modernization of Laws increased by \$22,657

During the 3rd quarter of 2019, the Portfolio identified the urgent need for capital funding for the Financial Reporting Authority to cover the costs of technological enhancements recommended in the CFATF Mutual Evaluation Report.

To cover the anticipated capital costs, savings were identified from within the Portfolio. Cabinet approved the following reallocation of costs:

EI 34 Portfolio of Legal Affairs \$130,000

LGA 1 Legal Advice and Representation in Civil Matters \$(30,000)

LGA 6 Financial Intelligence Services \$(100,000)

During the 4th quarter of 2019, The Portfolio of Legal Affairs forecasted there would be unspent funding from its 2019 approved appropriations at 31 December 2019. The Portfolio's actual expenses were lower than budget mainly due to vacancies during the year and the filling of positions at later dates than anticipated.

The Cabinet Office during the 4th quarter of 2019 was seeking additional funds from other Government Entities with unused appropriation funding. The Portfolio of Legal Affairs was

able to assist the Cabinet Office with its shortfall and thus funds were approved by Cabinet for the reallocation of funds.

Cabinet approved the reduction in the following appropriations for the Portfolio of Legal Affairs:

LGA 1 Legal Advice and Representation in Civil Matters \$(160,000)

LGA 5 Policy Advice and Administrative Support to the Attorney General \$(190,000)

Conclusion

Madam Speaker, the above exceptional circumstances which were approved by the Cabinet for the Portfolio of Legal Affairs during the 2018 and 2019 financial years, along with the overall effect on the Government's compliance with the Principles of Responsible Financial Management, can be found in the 2018 and 2019 Supplementary Plan and Estimates tabled in this Honourable House.

Thank you Madam Speaker.

