



**NATIONAL PARLIAMENT OF
SOLOMON ISLANDS**

**REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE**

**ON ITS EXAMINATION
OF THE
2007 SUPPLEMENTARY APPROPRIATION BILL
2007**

National Parliament Paper No 38 of 2007

TABLE OF CONTENTS

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE	3
1.0 INTRODUCTION	6
1.1 <i>Background</i>	6
1.2 <i>Objective</i>	6
1.3 <i>PAC Process</i>	6
2.0 SUMMARY REPORT	7
2.1 <i>Reports of the Auditor General</i>	7
2.2 <i>2007 Supplementary Appropriation Bill 2007</i>	7
2.3 <i>Communication of Outcomes</i>	8
2.4 <i>Budget Process</i>	9
2.5 <i>Timeliness of Deliberations on the Bill</i>	10
<i>Conclusion</i>	10
3.0 DETAILED EXAMINATION	11
3.1 <i>RECURRENT FUND</i>	11
3.2 <i>CONTINGENCY WARRANT</i>	15
3.3 <i>DEVELOPMENT FUND</i>	18
3.4 <i>OTHER MATTERS</i>	18
MINUTES OF PROCEEDINGS	19
<i>Meeting No. 12</i>	19
MINUTES OF PROCEEDINGS	23
<i>Meeting No. 13</i>	23
MINUTES OF PROCEEDINGS NO. 14	25
MINUTES OF PROCEEDINGS NO. 15	32

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Parliament Standing Order No.69 (1) [a], it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee for laying before Parliament.

A handwritten signature in black ink, appearing to read 'A.S. Gukuna', is written over a horizontal dotted line. The signature is cursive and somewhat stylized.

Seth Gukuna, MP

Chairman

Public Accounts Committee

13th August 2007

The Members of the Public Accounts Committee are:



Hon. Seth Gukuna, MP
Chairman



Hon. Fred Fono, MP
Member

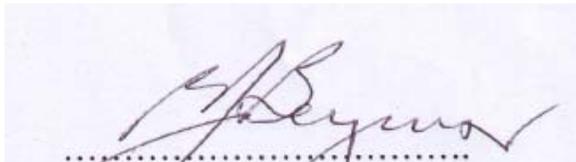


Hon. Johnson Koli, MP
Member

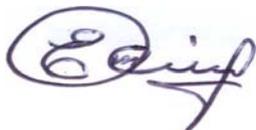
Hon. Charles Dausabea, MP
Member



Hon. Selwyn Riumana, MP
Member



Hon. Peter Boyers, MP
Member



Mr. Eric Muir, Deputy Auditor General
Acting Secretary

PAC Terms of Reference

The Public Accounts Committee is appointed under Standing Order 69 (1).

69. PUBLIC ACCOUNTS COMMITTEE

- (1) There shall be a Standing Select Committee designated the Public Accounts Committee whose functions shall be –
 - (a) to examine the accounts prescribed by Section 33 of the Public Finance and Audit Act 1978, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
 - (b) to establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;
 - (c) to examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor's report thereon and to report the results of such examination to Parliament;
 - (d) to summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;
 - (e) to consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
 - (f) to summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;
 - (g) to report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and
 - (h) to make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.
- (2) The Auditor General or his nominee shall be the Secretary to the Committee and shall make available to the Committee the services of his staff and other facilities of his Office.

1.0 INTRODUCTION

1.1 Background

Section 101 of the Constitution defines the process and conditions in which funds may be withdrawn from the Consolidated Fund. Issuance of funds under a Supplementary Appropriation Bill (SAB) is provided for under section 101 (2) [b] of the Constitution; hence the provisions of sections 103 or 104 shall be satisfied.

The process is further amplified under section 15 (Contingency Warrants) of the Public Finance and Audit Act [Cap. 120], the provisions of Financial Instructions (FI) 182 to 186 and section 102 (3) of the Constitution. Intrinsically, this is a transparent process to ensure that public resources are safeguarded in the interest of those who own them – i.e. the people of Solomon Islands.

The Public Accounts Committee (PAC) is responsible for the examination of draft estimates that support Appropriation Bills. The PAC then reports on its findings to Parliament for the purpose of properly informing Members of Parliament and raising matters which will assist them in their deliberations.

1.2 Objective

Aside from the parliamentary oversight responsibility which is often exercised by the PAC, the object of this report is to inform the Members of Parliament (MPs) on significant issues pertaining to the Supplementary Appropriation Bill 2007 which were examined by the PAC.

The Public Accounts Committee carries out its reviews and examination on the SAB within the parameters of the laws underpinning government finances. Furthermore, the Committee believes that its consideration must also be premised on sound economic strategies that are essential to achieving the common objective for which Parliament has allocated resources.

1.3 PAC Process

In carrying out our examination of the 2007 Supplementary Appropriation Bill 2007, the Committee undertook the following:

- Review of the Supplementary Appropriation Bill;
- Requested the Permanent Secretary for Finance to brief the SAB;
- Requested the Ministry officials concerned in the SAB to justify their bids; and
- Requested and reviewed certain additional documents from Ministry of Finance (MOF). Unfortunately some of the information requested by the committee has not been provided to the Committee expeditiously. In particular the request by the Committee to the Minister for Finance requesting copies of the Contingency Warrants has been declined by the Minister and required the Committee to order the production of the

warrants using its powers under Standing Order 69 1(d). The Committee notes that previous requests for such information had been met by successive governments and is disappointed that the Minister, who was previously an active member of the PAC, is not now supporting the Committee to fulfil its important responsibilities by facilitating the provision of information to the Committee. The Committee notes for the information of Parliament that the order for the production of the Contingency Warrants is yet to be complied with and may require the Committee to take further action as provided for under the Standing Orders.

2 SUMMARY REPORT

2.1 Reports of the Auditor General

Before commencing its budget review of the 2007 Supplementary Appropriation Bill 2007 the Public Accounts Committee (PAC) deliberated on previous Reports from the Auditor General which had been previously considered by the Committee. The following reports were accepted as true records of the discussions of the Committee and were approved for tabling in Parliament:

- i. Ministry of Finance and Treasury Central Payroll System;
- ii. Immigration Division of the Ministry of Foreign Affairs, External Trade and Tourism;
- iii. Ministry of Infrastructure and Development, Civil Aviation Division;
- iv. Ministry of Agriculture and Lands, Lands Registration Procedures and Kukum Subdivision Report; and,
- v. Ministry of Education and Human Resources Development, Tertiary Scholarships Program Report.

The Committee further expressed disappointment that some Ministries had not submitted their Actions Plans and other Ministries appeared tardy in implementing the Auditor General's recommendations.

2.2 2007 Supplementary Appropriation Bill 2007

The Committee commenced its deliberation into the 2007 Supplementary Appropriation Bill 2007 (SAB) on 13th July 2007. The Bill sought \$59,471,509.76 **while it appropriated expenditure totaling \$72,481,509.76 from the consolidated fund** with \$25,321,059.76 for contingency warrants and \$29,150,450 **(\$42,160,450)** for Recurrent and \$5,000,000 for Development Expenditure.

Comment [w1]: Please check my wording for the 2 amounts on the previous line and this amount in the bracket needs explanation.

The Committee was provided with a briefing from the Permanent Secretary and officers from the Ministry of Finance and Treasury on 13 July 2007 outlining the major components of the supplementation bid. The Permanent Secretary of Finance and Treasury informed the Committee that the SAB 2007 is the first to be brought before the Committee before the Parliament Session. The Committee noted that Parliament however had unexpectedly deferred its sittings until early August 2007 which would allow additional time for PAC deliberations.

During this briefing the PAC noted numerous errors and inaccuracies in the draft provided. These were discussed and the Committee noted the following types of errors;

- i. Summary page of Recurrent and Development Expenditure authorised did not add correctly and understated the bid by some \$13.01 million;
- ii. Totals in Heads did not relate to the changes requested in the Bill;
- iii. Insufficient explanation of SAB Heads and sub Heads; and
- iv. Inadequate information for the Committee to establish expenditure to date in the year under review.

The Committee appreciated the overview provided and requested the Ministry to provide an amended Bill correcting the errors identified and additional information to enable the Committee to gain greater clarity of the amounts being sought at sub-Head level. In addition the Committee requested the Ministry to provide the Committee with a summary of expenditure to date (January - June 2007) by each of the Ministries seeking funding. The Permanent Secretary agreed to correct the draft Bill and to provide the financial information to assist the Committee during the hearings into Ministries scheduled for the following week.

Comment [w2]: Should the errors in the totals referred to above also be mentioned?

2.3 Communication of Outcomes

In the early hearings of evidence from Ministries it became apparent to the Committee that the Permanent Secretaries and other senior officials were unaware of the outcomes from the Cabinet deliberations or the contents of the Bill. It was also apparent that many of the requests for supplementation had not been accepted by Cabinet and were consequently excluded from the SAB. Notwithstanding, the Committee was interested in any specific bids from the Ministries that had not been funded and the impact that would have on public services and government commitments. The Committee noted many examples where urgent outlays were necessary as commitments had been entered into but funding was not provided in the SAB. Whilst this is a matter for Cabinet decision making the Committee was concerned that

the budget process may not have had adequate rigor and prioritization of needs.

In addition the process of communicating outcomes was unsatisfactory resulting in many disruptions to Committee proceedings.

Recommendation 1

That the Ministry of Finance and Treasury implement a process to ensure all Ministries involved in seeking additional funds in the SAB be provided appropriate feedback on the outcomes of the deliberations on Cabinet once the Bill has been approved by Cabinet.

2.4 Budget Process

The Committee continued to be hampered in its effective oversight of the budgetary process. The initial SAB was defective in many ways resulting in its withdrawal and postponement of scheduled hearings. Ministries had not been given adequate feedback on budget deliberations in Cabinet before presenting to the Committee. The subsequent revised Bill was for a total of \$82,781,638 including the same request for contingency warrants of \$25,321,060 sought in the earlier versions. This represented an increase of \$23,310,129 from the previous draft Bill provided for Committee examination. A process needs to be agreed with the Ministry of Finance and Treasury that articulates:

- The process for translation of the budget approved outcomes to a Bill that receives rigorous checking for accuracy;
- The Bill should contain, columns showing Original Approved Budget, Revised Approved Budget (including virements), Supplementary Estimate and Revised Budget and year to date actual expenditure by sub-head for affected codes. In addition adequate descriptions of the reasons for the increase from original approved Budget;
- Endorsement by the Attorney General on the format of the Bill; and
- Advice to the Committee Secretary (the Auditor General) when the above steps have occurred to enable the Secretary to liaise through the Parliamentary support staff to set up meetings.

Comment [w3]: Not sure of the meaning of this – perhaps a little more detail as it is a very important point

Recommendation 2

That the Ministry of Finance and Treasury develop, in consultation with the Committee, an agreed process for the submission of an accurate Bill with appropriate supplementary information and briefing notes for PAC. that has been approved by Cabinet. This process must ensure adequate time for the Committee to present its report to Parliament in time for discussion on the Bill.

2.5 Timeliness of Deliberations on the Bill

The Committee acknowledges that on this occasion the SAB was provided to the Committee prior to the scheduled Parliamentary meeting. This is a significant improvement on previous years. Except for the rescheduling of Parliament, however, there would have been limited time provided to the Committee to consider the Bill and even still the debate on the second reading has been completed before members have the opportunity to be informed by this report. This continues to impact on the effectiveness of the Committee and its capacity to undertake its work according to the provisions of the Standing Orders, which requires the Committee to report to Parliament before the Bill being considered for its second reading in Parliament. Despite the additional time provided to the Committee due to the delayed meeting of Parliament the SAB remained unready for consideration by the Committee until just a short time before the meeting commenced on 7 August 2007

This delay has resulted in the Parliament considering the Bill at its second reading prior to the Committee finalising its deliberations and report. This is contrary to the Standing Orders and defeats the purpose of the Committee's oversight role.

Conclusion

The Committee approved the Reports on the Committee's deliberations into various Reports of the Auditor-General for tabling in Parliament.

Our findings as contained in this report pertaining to our examination of the 2007 Supplementary Appropriation Bill 2007 has highlighted a number of serious shortcomings in the draft Bill including some that had been highlighted in previous years. The way forward is with the Ministry of Finance and Treasury to implement a suitable timeline and processes that address the issues identified in this Report and recommendations contained therein.

The fundamental role of the Public Accounts Committee has not been respected in its deliberations into SAB 2007. In this regard, the Committee strongly recommend that Parliament take serious note of its findings and adopt the recommendations.

3.0 DETAILED EXAMINATION

The various Ministries seeking funding under the SAB were requested to appear before the Committee to discuss their bids. The Committee commenced hearings on 17 July 2007 and after postponing its inquiry due to inadequacies in the Bill resumed hearings on 3 August 2007. Whilst the full details of the hearings are in Hansard the following is a summary of the more significant matters that arose during these hearings under each Ministry for the Recurrent, Contingency Warrant and Development bids.

3.1 RECURRENT FUND

Head 283 Department of Police and National Security - \$8,227,935

The second session was held for officials of the relevant Ministries seeking additional funding under the SAB. The Committee heard evidence on 17 July from the Permanent Secretary of the Ministry of Police and National Security in relation to his \$4.607 million request and full details of the Treasury submission were provided to the Committee. The Committee noted that only \$750,000 was included in the draft SAB. The Permanent Secretary indicated that there had been no communication between his Ministry and the Ministry of Finance and Treasury about the variation.

The Committee expressed concerns about the processes employed in the preparation of the SAB noting that the SAB was not complete and outcomes of Cabinet deliberations had not been communicated from the Ministry of Finance and Treasury to affected Ministries. The SAB was erroneous in nature as cuts in some Heads did not reflect a two-way communication between the Ministry of Finance and the Ministries concerned. At this juncture, the Committee learned that the current draft SAB 2007 was not final.

The Committee expressed its dissatisfaction with this process and requested the Ministry for Finance and Treasury to take necessary action to finalise the SAB and seek Cabinet endorsement before the Committee reschedules its hearings. The Committee advised that it is imperative that there be active communication of Cabinet deliberations to enable Ministries to provide evidence to the Committee. The meeting adjourned until these matters were resolved.

After reconvening on 3 August 2007 the Committee noted the written submission and verbal presentation from the Permanent Secretary regarding revised bids for headquarters, Solomon Islands Police Force and the Prison Service Commission for \$1,064,000, \$4,023,935, and \$3,140,000 respectively. The headquarter bid included an element for the 2006 staff re-leveling exercise, motor vehicles and for rental for 139 tenants totalling \$2.9 million. The SIPF bid was for the repair and maintenance for Kirakira and Ghizo premises and replacement of police uniforms.

The Committee stressed the need for improved law and order and thereby enhance the Solomon Islands investment climate. The Committee reiterated the need for communication between the Ministry of Finance and Treasury and the ministerial budgetary teams.

The Committee noted that the issue of compensation for legally owned guns surrendered through RAMSI gun surrender program was not taken up in the SAB. Also a concern was raised about the current high housing rentals and recommended that the Ministry pursue with the Ministry for Lands, Housing and Survey, to consider housing estates to meet the housing demand both in Honiara and the Provincial centres.

Recommendation 3

That the Ministry pursue the allocation of suitable housing estates to address the prevailing high rental and yearly budgetary increases for the Ministry both in Honiara and other Provincial Centres.

Head 288 Ministry of Commerce, Industries and Labour - \$500,000

The Permanent Secretary provided evidence to the Committee regarding the supplementation required to meet the National Trade Show held in Auki in July 2007. The Committee further noted that the Ministry's initial request for supplementation was some \$2.5 million but the Cabinet endorsed Bill only provided \$500,000. In view of the importance of this event the Committee requested a copy of the report on the Trade Show providing details of all associated expenditure. The Committee again expressed its concern that annual events are not properly planned and budgeted for in the annual appropriation.

Recommendation 4

That the Ministry provide a copy of the Report on the National Trade Show at Auki once completed.

Head 277 Ministry of Infrastructure Development - \$10,000,000

The Permanent Secretary advised the Committee that the request of additional funds comprised \$7 million for National Transport Fund and \$3 million for repairs to government buildings inclusive of the Provincial centres. The Fund is to cater for construction of provincial area roads and infrastructure once prioritised on the basis of preliminary engineering assessments of the need. This demonstrated the continuing support by the government of initiatives to supplement the existing Asian Development Bank and European Union assistance. The Committee noted that the National Transport Fund did not include a subsidy to the shipping industry as other donors such as the Republic of China (ROC) substantially assist in the area.

Head 282 Office of the Prime Minister and Cabinet (PMO) - \$7,290,000

Officials from PMO advised the Committee that additional funds were required for the Riots Enquiry, Constitutional Reform, Commissioner of Police and the RAMSI Envoy. The Committee expressed its concern about the substantial increase of the original budget for these items. The Committee sought details of the detailed budget for the Constitutional Reform – SIG Task Force.

In response to enquiry as to why the Police Commissioner's salary was included under the PMO budget, the Committee was informed that the status of the Police Commissioner was similar to that in the previous arrangements for the Legal Draftsman where the PMO initially absorbed these costs before they were transferred to respective Ministry. The Committee requested details of the employment contracts for the Police Commissioner and Special Envoy to RAMSI.

The Committee was concerned about inter-transfers of certain subheads such as Constitutional Reform from the Provincial Governments without any initial substantial supporting documentation.

The Committee also questioned officials about reports in the media of an authorisation from a political advisor or other position for 50 new vehicles from Australia and was advised that the Ministry was unaware of any details of this purchase.

Recommendation 5

The Ministry was requested to provide the breakdown of the remuneration and contract details of the Police Commissioner and the RAMSI Special Envoy to the Committee and a breakdown of the costs related to the April Riots Inquiry and Constitutional Reform.

Head 293 Ministry of Home Affairs - \$5,000,000

The Permanent Secretary informed the Committee that funding was to supplement the Solomon Islands 360 member contingency to the South Pacific Games. The Committee noted that the funds will also meet the cost of two chartered flights to transport the contingent to the South Pacific Games.

The Committee noted that other funding sought by the Ministry had not been approved. In particular the Committee was extremely concerned that the By-Elections would not be funded in the SAB. The lack of funding by the government in the SAB meant that the elections could not take place as planned in late 2007 or early 2008. The Permanent Secretary indicated that significant administrative work was required including the registration of voters prior to the elections.

The Committee is very concerned that the resulting delays will result in the constituents of the two effected seats being without proper democratic representation for an unreasonable period and strongly recommends that the Government move an amendment to the Bill to provide for funding for the by elections.

Recommendation 6

That additional funding be provided for by-elections in vacant constituencies by an amendment to the Bill by Committee in Supply.

Head 274 Ministry of Foreign Affairs, External Trade and Immigration - \$5,424,000

The Permanent Secretary advised that funding was for various arrears with international and regional institutions such as UNDP, SPC, MSG and Commonwealth Foundations. The Committee was concerned that traditional subscriptions such as these were not budgeted for in the annual budget. The Committee noted that the \$2.3 million Capital Expenditure is for passport printing machines and Immigration photocopy machine.

In response to Committee concerns about funding levels being adequate to ensure overseas missions are retained, the Permanent Secretary informed that his Ministry will arrange virement from his existing Heads to service upcoming costs.

Head 284 Ministry of Provincial Government and Rural Development - \$9,624,250

The Permanent Secretary indicated to the Committee that the funding allocated was a result of an initial bid for \$20.6 million to service the Ministry and he expressed great concern on the lack of budgetary support on two items being the meeting the arrears of the terminal grants of former Members of Provincial Assemblies and ward allowances for Assembly Members. These were essential human resource funds and would cause hardship to former and existing members representing a shortfall of some \$356,000 and \$90,962 respectively. The Committee was very concerned that existing liabilities to former Assembly Members were not being honoured due to funding constraints.

The planning of the Premiers' Conference received considerable attention with numerous concerns expressed that it was necessary to ensure that long term benefits are achieved for the provinces who host such events.

The Committee noted that the original submission was reduced significantly without any communication with the Ministry concerned and pointed out the need to use the correct Gazetted name for the Ministry to reflect its "Rural" nature.

Head 294 Ministry of National Unity, Reconciliation and Peace - \$3,927,200

The Permanent Secretary advised the Committee that Cabinet had approved the supplementary funding which represents the costs associated with the facilitation of the reconciliation processes. The Ministry has developed strategic goals to guide in moving the reconciliation processes ahead. The Committee acknowledged the importance of the Ministry work and noted that the Permanent Secretary received all funding sought.

Head 292 Ministry of Justice and Legal Affairs - \$5,000,000
Head 296 National Judiciary - \$274,000

The Permanent Secretary advised the Committee of the major supplementation requested and the Committee noted the significant costs associated with the obtaining of a suitable replacement for the Legal draftsman and his deputy for which a total of \$1.2 million was allocated. The Committee noted with concern costs proposed for foreign recruitment of the legal draftsmen given the previous experience where such expatriate skills are very expensive and the amount sought may be inadequate. Other better and more economical options involving the use of skilled legally qualified locals should also be explored. The Permanent Secretary noted the Committee's comments and indicated that various strategies were being explored.

The Committee unanimously accepted the submission from the National Judiciary without any queries asked to the Permanent Secretary.

3.2 CONTINGENCY WARRANT**281 Office of the Prime Minister and Cabinet (PMO) - \$5,194,251**

The Committee noted that PMO spent a further \$5.1 million to assist the Pacific Islands News Association (PINA) Biennial Convention and on overseas travels and provincial visits. The Committee expressed the need to justify the contingency warrants.

Recommendation 7

That relevant supporting documentation of the PMO's contingency warrants be furnished to the Committee.

Head 288 Ministry of Commerce, Industries and Labour - \$200,000

The Permanent Secretary advised the Committee that the funding was required for the Honourable Minister to attend the 96th International Labour Conference in Geneva and subscription into the organisation to allow for the nation's voting rights.

Head 277 Ministry of Infrastructure Development - \$3,055,644

The Permanent Secretary advised that the funding was for the purchase of government vehicles for the efficient discharge of government functions. The Committee noted the purchase of the motor vehicles from the Ela Motors' agent in Australia. The Committee was concerned that all purchases of vehicles should be coordinated by the Ministry and for major procurement open tender arrangements need to be used to ensure transparency of decisions. The Committee also noted from recent media comments that fifty (50) extra vehicles have been ordered outside of the normal government procedures, and thirty (30) had arrived in country.

The purpose of the fifty (50) vehicles ordered is understood to be in support of the Constituency Development Officers. The Committee was most concerned about the proper process being employed for such purchases and was concerned that the Ministry was not involved in the process. A further area of concern to the Committee is lack of road infrastructure in some constituencies and doubted the usefulness and status of the vehicles on order.

Recommendation 8

The committee requested to view relevant documents facilitating the order of motor vehicles with the overseas suppliers to the Committee.

Head 273 Ministry of Finance and Treasury - \$6,300,000

The Permanent Secretary provided evidence to the Committee to support the additional funds spent. These related to the impact of higher tax refunds following increased compliance review by the IRD. The Committee sought details of this year's revenue forecast as the base of the 2007 SAB 2007 relies much on the compliance tax recoveries from the Inland Revenue Division.

Recommendation 9

That the Permanent Secretary Finance and Treasury provide the Committee with details of projected revenue.

Head 297 Ministry of Women, Youth and Children's Affairs - \$1,724,343

The Permanent Secretary outlined to the Committee the background to this new Ministry and the virement from the Ministry of Home Affairs. The supplementation of more than \$3.7 million is to fund all items as a separate Ministry. The Committee was advised that the Ministry Corporate Plan will be finalised by the end of the month.

It was also noted that the Ministry will fill another ten vacancies during the year and will need further equipment as they will be accommodated separately from the Ministry of Home Affairs.

Head 293 Ministry of Home Affairs - \$8,350,000

The Permanent Secretary advised the Committee that his Ministry had spent a further \$8.5 million in the Contingency Warrants for Disaster Relief, South Pacific Games grant and Anniversary Preparations.

The Committee expressed concerns over substantial funding to votes such as Disaster Relief and the Anniversary Preparation. The former had received assistance from multiple donors such as ROC for \$1.6 million and the latter had been taken up by other Ministries such as the Ministry of Commerce which had disbursed \$5 million dollars to the Provinces. As disaster relief would be over or above \$4 million the Committee was concerned that the Ministry had full control over the funding support received and outlayed.

In relation to the amount of \$1.5 million spent on the Anniversary preparations, the Permanent Secretary revealed that payments were authorised from his Ministry but actual disbursements and management were processed from the Ministry of Finance. The Committee was also informed of the same with the \$276,490 of the South Pacific Games expenditure disbursement.

The Permanent Secretary responded to the allegation of short supply of the Disaster Relief by informing the Committee of his Ministry's report soon to be submitted to the Cabinet and Parliament meeting. There was proper recording of data of assistance and donations received but admitted there were difficulties in remote areas assistance.

Recommendation 10

The Ministry to provide a Report on the spending of the \$1.5 million and its total of \$1.76 million expenditure on the Anniversary Preparations to the Committee explaining in detail how it was spent as the Ministry of Commerce will be doing the same.

The Ministry was also requested to provide a copy of the Report on the 2007 Disaster Relief be made available to the Committee.

3.3 DEVELOPMENT FUND

Head 273 Ministry of Finance and Treasury - \$5,000,000

The Permanent Secretary informed the Committee that of the \$20 million in total required, \$15 million is being paid to the ANZ Bank whose rural banking facilities had supported the Bottom-Up-Approach. The remaining \$5 million will be disbursed to the Central Bank to guarantee the equity borrowing applications.

The Committee noted the equity guarantee between the Government, Central Bank of the Solomon Islands and the Commercial Banks for rural borrowers. The Permanent Secretary indicated to the Committee that only ANZ Bank (who has current rural banking facilities) so far had discussed a MOU to implement the guarantee arrangement Scheme. Despite that, the Scheme is expected to be implemented this month. Other Commercial Banks will also be part of the arrangement later this month. The Committee discussed awarding low interest rates to the rural borrowers in the Scheme.

3.4 OTHER MATTERS

Motor Vehicles

The Committee sought evidence from the Permanent Secretaries of Infrastructure Development, Finance and Treasury and PMO Ministries who all confirmed that they did not authorise the reputed fleet of fifty (50) motor vehicles that are understood to be currently bound for the Solomon Islands. The Committee was unable to be satisfied that proper tenders and compliance with government's procedures had occurred for these motor vehicles. The Committee understands some 30 vehicles have been received.

Recommendation 11

That all decisions involving the procurement of motor vehicles involve the Ministry of Infrastructure and Development and use proper open tender processes.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 12

Friday 13 July, 2007, Parliament House, 11:00 am

1. Members Present

Hon. Seth Gukuna (Chair), MP
Hon. Johnson Koli, MP
Hon. Fred Fono, MP
Hon. Selwyn Riumana, MP

Secretariat

Mr. Floyd Augustine Fatai, (Secretary) Auditor General
Mr. David Kusilifu, Committee Secretariat
Ms. Alice Fakarii, Committee Secretariat

Witnesses

Mr. Luma Darcy, Permanent Secretary, Ministry of Finance and
Treasury
Mr. Bob Quiggin, Senior Budget Advisor, Ministry of Finance and
Treasury

In Attendance

Mr. Warren Cahill, Parliamentary Strengthening Project
Mr. Eric Muir, Deputy Auditor General
Ms. Florence Naesol, Deputy Clerk to Parliament
Mr. Walter Malau, Senior Auditor, Office of the Auditor General

Correspondence

Incoming- Letter from Speaker appointing Hon. Seth Gukuna.

2. Appointment of New Chair

The Hon. Seth Gukuna advised the committee that on the 12th of July 2007, the Speaker had appointed him Chair of the Public Accounts Committee according to Standing Order 64 (4). The Chair opened the meeting and expressed his gratitude to the members of the Committee, especially the Interim Chair for the excellent work he had undertaken and for his generous support.

3. **Inquiry into the 2007 Supplementary Appropriation Bill.**

The chair then welcomed the Permanent Secretary (PS) and the Budget Advisor from the Ministry of Finance and Treasury and asked the PS to deliver his opening Statement.

The Committee heard evidence from Mr. Luma Darcy (Permanent Secretary) and Bob Quiggin (Budget Advisor).

The Committee questioned the witnesses.

Evidence concluded.

The Committee deliberated and resolved that the Ministry of Finance and Treasury provide to the committee the following documents;

- Copies of Signed Contingency Warrants; and
- The current budget figures as at June 2007

3. **2008 Budget Process**

The Permanent Secretary briefed the committee on the progress thus far.

Committee deliberated.

4. **Consideration of the Public Accounts Committee (PAC) draft reports**

The Committee then considered the following draft reports in the following order:

- Report of the Public Accounts Committee on its Examination of the Auditor General's Report on the Ministry of Finance and Treasury Central Payroll System.

The Committee considered the report.

Debate ensued.

Resolved on motion by Hon. Fred Fono that the report be adopted

- Report of the Public Accounts Committee on its Examination of the Auditor General's Report on the Immigration Division of the Ministry of Foreign Affairs, External Trade and Tourism.

The Committee considered the report

Debate ensued.

Resolved on motion by Hon. Fred Fono that the report be adopted

- Report of the Public Accounts Committee on its Examination of the Auditor General's Report on the Ministry of Infrastructure and Development, Civil Aviation Division.

The Committee considered the report.

Debate ensued.

Resolved on motion by Hon. Johnson Koli that the report be adopted.

- Report of the Public Accounts Committee on its Examination of the Auditor General's Report on the Ministry of Agriculture and Lands, Lands Registration Procedures and Kukum Subdivision Report.

The Committee considered the report.

Debate ensued.

Resolved on motion by Hon. Fred Fono that the report be adopted.

- Report of the Public Accounts Committee on its Examination of the Auditor General's Report on the Ministry of Education and Human Resources Development, Tertiary Scholarships Program.

The Committee considered the report.

Debate ensued.

Resolved on motion by Hon. Selwyn Riumana that the report be adopted.

The Committee deliberated and adopted each of the draft reports without amendment.

5. Resolutions not complied with:

Foreign Affairs

The Secretariat outlined to the committee that the ministry of Foreign Affairs had failed to provide the committee with its Action Plan as agreed upon.

The Committee resolved that the Secretariat invite the Permanent Secretary to provide the Action Plan during the Hearings into the 2007 Supplementary Appropriation Bill.

Lands

The following documents from the Ministry of Agriculture and Lands were tabled:

- Standard Operating Procedures (SOP) for Customer Service
- Standard Operating Procedures (SOP) for Land Transactions
- Standard Operating Procedures (SOP) for Parcel Clearance Certificate
- Standard Operating Procedures (SOP) for File Management and Records Clerks Responsibilities
- Standard Operating Procedures (SOP) for Land Transaction Register.

Education

The Secretariat outlined to the committee that the ministry of Education and Human Resources Development had failed to provide the committee with its Action Plan as agreed upon.

The Committee resolved that the Secretariat must ensure that the Ministry provide the Action Plan before the next sitting of Parliament.

3. Close

The meeting closed at 12:00 pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 13

Tuesday 17 July, 2007, Parliament House, 2:30 pm

1. Members Present

Hon. Seth Gukuna (Chair), MP
Hon. Johnson Koli, MP
Hon. Fred Fono, MP

Apologies

Hon. Charles Dausabea

Secretariat

Mr. Floyd Augustine Fatai, (Secretary) Auditor General
Mr. David Kusilifu, Committee Secretariat
Ms. Alice Fakarii, Committee Secretariat

Witnesses

Mr. George Hiele, Permanent Secretary, Ministry of Police and National Security
Mr. Fred Dola, Chief Accountant, Ministry of Police and National Security

In Attendance

Mr. Warren Cahill, Parliamentary Strengthening Project
Mr. Eric Muir, Deputy Auditor General
Ms. Florence Naesol, Deputy Clerk to Parliament
Mr. Walter Malau, Senior Auditor, Office of the Auditor General

2. Inquiry into the 2007 Supplementary Appropriation Bill.

The PS and officers of the Ministry of Police and National Security appeared before the Committee.

The Chair welcomed the PS and officials from the Ministry of Police and National Security and opened the hearing by inviting the PS to address the Committee.

The PS tabled a briefing document which was circulated to members and briefed the Committee on the operations of the Ministry and the major issues relating to the 2007 Supplementary Appropriation.

The Committee questioned the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

The Committee further noted that a new revised Supplementary Appropriation Bill is currently being produced by the Ministry of Finance.

The Committee considered the matter.

Debate ensued.

Resolved on motion by Hon. Fred Fono that the Inquiry be postponed.

3. Close

The Committee adjourned at 3:30 pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings No. 14

**Inquiry into the 2007 Supplementary Appropriation Bill 2007, Day 1, Friday
3 August, 2007, Parliament House**

Hearing No. 1 - Head 283 Ministry of Police and National Security, 9:30 am

1. Members Present

Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Johnson Koli, MP
Hon. Peter Boyers, MP

Witnesses

Mr. George Hiele, Permanent Secretary, Ministry of Police and National Security
Mr. Peter Lockay, Financial Advisor, Ministry of Police and National Security
Mr. Fred Dola, Chief Accountant, Ministry of Police and National and Treasury

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury
Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Auditor, Office of the Auditor General
Mrs. Florence Naesol, Deputy Clerk to National Parliament

- 2.** The Permanent Secretary and officials from the Ministry of Police and National Security appeared before the Committee.

The Chair welcomed the Permanent Secretary (PS) and officials and opened the hearing by inviting the Permanent Secretary to address the Committee.

The PS briefed the Committee on the operations of the Ministry and the major issues relating to the 2007 Supplementary Appropriation Estimates.

The Permanent Secretary tabled the ministry's Supplementary Budget Explanatory Notes.

The Committee questioned the Permanent Secretary and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. Close

The Committee adjourned at 10:15 am until 10:30am.

**Hearing No. 2 - Head 288 Ministry of Commerce, Industry and Labour,
10:30am**

1 Members Present

Hon. Seth Gukuna, MP (Chair)

Hon. Fred Fono, MP

Hon. Johnson Koli, MP

Hon. Peter Boyers, MP

Witnesses

Mr. Jeffrey Wickham, Permanent Secretary, Ministry of Commerce, Industries and Labour

Ms. Gwen Koke, Chief Accountant, Ministry of Commerce, Industries and Labour

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC

Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC

Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and senior Officers of the Ministry of Commerce, Industries and Labour appeared before the Committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The Committee was briefed by the PS on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates. The Permanent Secretary tabled the Ministry's Submissions for 2007 Supplementary, which was made available to members.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. **Close**
Committee adjourned at 11:00 am until 11:30 am.

Hearing No. 3 - Head 277 Ministry of Infrastructure Development, 11:30am

1 **Members Present**

Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Johnson Koli, MP
Hon. Peter Boyers, MP

Witnesses

Mr. Peter Hauia, Permanent Secretary, Ministry of Infrastructure Development
Mr. Moses Virivolomo, Under Secretary for Ministry of Infrastructure
Ms. Grace Hebala, Chief Accountant, Ministry of Infrastructure Development

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury
Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and senior officers of the Ministry of Infrastructure Development appeared before the Committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The Committee was briefed by the PS on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. **Close**
Committee adjourned at 12:15 pm until 2:00 pm.

Hearing No. 4 - Head 281 Office of the Prime Minister and Cabinet, 2:00pm**1 Members Present**

Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Selwyn Riumana, MP
Hon. Peter Boyers, MP

Witnesses

Mr. Rence Sore, Deputy Secretary to the Prime Minister
Mr. Billy Toate, Chief Accountant, Office of the Prime Minister and Cabinet

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Deputy Secretary to Prime Minister (DSPM) and a senior officer of the Office of the Prime Minister appeared before the committee.

The Chair welcomed the DSPM and officials and opened the hearing by inviting the DSPM to address the Committee.

The Committee was briefed by the DSPM on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates.

The Committee commenced questioning the DSPM and officers of the Ministry.

Evidence concluded.

The Committee deliberated and resolved that the Office of the Prime Minister provide to the committee a break down cost of the following accounting items;

- Riots Enquiry
- Special envoy to RAMSI, and
- Commissioner of Police

3. **Close**

Committee adjourned at 2:40 pm until 3:00 pm.

Hearing No. 5 - Head 273 Ministry of Finance and Treasury, 3:00pm**1 Members Present**

Hon. Seth Gukuna, MP (Chair)

Hon. Fred Fono, MP

Hon. Selwyn Riumana, MP

Hon. Peter Boyers, MP

Witnesses

Mr. Luma Darcy, Permanent Secretary, Ministry of Finance and Treasury

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and senior officers of the Ministry of Finance and Treasury appeared before the committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The Committee was briefed by the PS on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated and resolved that the Ministry of Finance and Treasury provide to the committee the following document;

- A projected forecast of Revenue earnings

The Permanent Secretary tabled the current budget figures as at June 2007

3. **Close**
Committee adjourned at 3:30 pm until 4:00 pm.

Hearing No. 6 - Head 297 Ministry of Women, Youth and Children's Affairs, 4:00pm**1 Members Present**

Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Peter Boyers, MP

Witnesses

Mrs. Ethel Sigimanu, Permanent Secretary, Ministry of Women, Youth and Children's Affairs.
Mr. Evan Tuhagenga, Under Secretary, Ministry of Women, Youth and Children's Affairs.
Mrs. Rachael Tigita, Chief Administrative Officer, Ministry of Women, Youth and Children's Affairs.
Mrs. Elizabeth Mehue, Chief Accountant, Ministry of Women, Youth and Children's Affairs.

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury
Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and senior officers of the Ministry of Women, Youth and Children's Affairs.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The Committee was briefed by the PS on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates.

The Permanent Secretary tabled the Ministry's Supplementary Budget Explanatory Notes.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. **Close**
Committee adjourned at 4:30 pm until 9:30 am, Monday 6 August, 2007.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings No. 15

**Inquiry into the 2007 Supplementary Appropriation Bill 2007, Day 2,
Monday 6 August, 2007, Parliament House**

Hearing No. 7 - Head 293 Ministry of Home Affairs, 10:00 am

1. **Members Present**

Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Johnson Koli, MP

Witnesses

Mr. Fred Fakarii, Permanent Secretary, Ministry of Home Affairs
Mr. Fred Dola, Chief Accounts, Ministry of Police and National and
Treasury

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC
Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Auditor, Office of the Auditor General
Mrs. Florence Naesol, Deputy Clerk to National Parliament

3. The Permanent Secretary (PS) and a senior official from the Ministry of Home Affairs appeared before the Committee.

The Chair welcomed the PS and Official and opened the hearing by inviting the PS to address the Committee.

The Permanent Secretary briefed the Committee on the operations of the Ministry and the major issues relating to the 2007 Supplementary Appropriation Estimates.

The Permanent Secretary tabled the Ministry's Supplementary Budget Submission, which was made available to members.

The Committee questioned the Permanent Secretary and officer of the Ministry.

Evidence concluded.

The Committee deliberated.

3. Close

The Committee adjourned at 10:25 am until 10:30am.

Hearing No. 8 - Head 274 Ministry of Foreign Affairs External Trade and Immigration, 10:30am

1 Members Present

Hon. Seth Gukuna, MP (Chair)

Hon. Fred Fono, MP

Hon. Johnson Koli, MP

Witnesses

Mr. Jeremiah Manele, Permanent Secretary, Ministry of Foreign Affairs, External Trade and Immigration

Mr. Sam Tarivasa, Senior Accountant, Ministry of Foreign Affairs

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC

Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC

Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and the senior accountant of the Ministry of Foreign Affairs appeared before the Committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The Committee was briefed by the PS on the operations of the Ministry in 2007 and the major issues relating to its 2007 Supplementary Appropriation Estimates. The PS tabled the Ministry's Submissions for 2007 Supplementary Appropriation, which was made available to members.

The Committee commenced questioning the PS and officer.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 11:00 am until 11:30 am.

Hearing No. 9 - Head 284 Ministry of Provincial Government and Rural Development, 11:30am

1 Members Present

Hon. Seth Gukuna, MP (Chair)

Hon. Fred Fono, MP

Hon. Johnson Koli, MP

Witnesses

Mr. Fred Ganate, Permanent Secretary, Ministry of Provincial Government and Rural Development

Mrs. Betty Fakarii, Under Secretary for Ministry of Provincial Government and Rural Development

Mr. Kasiano Kere, Chief Accountant, Ministry of Provincial Government and Rural Development

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC

Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC

Mr. Jude Devesi, Committee Secretariat, Clerk to the Inquiry

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

Mr. Bob Quiggin, Senior Budget Advisor, Ministry of Finance and Treasury

2. The Permanent Secretary (PS) and senior officers of the Ministry of Provincial Government and Rural Development appeared before the Committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The PS tabled copies of the Ministries Submissions for the Supplementary Appropriation which was circulated to members and briefed the Committee on the major issues relating to its 2007 Supplementary Appropriation Estimates.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. **Close**
Committee adjourned at 12:00 pm until 2:00 pm.

Hearing No. 10 - Head 294 Ministry of National Unity, Reconciliation and Peace, 2:00pm

1 Members Present

Hon. Seth Gukuna, MP (Chair)

Hon. Fred Fono, MP

Hon. Johnson Koli, MP

Witnesses

Ms. Joy Kere, Permanent Secretary, Ministry of National Unity, Reconciliation and Peace

Mr. Bobby Ramo, Chief Accountant, Ministry of National Unity, Reconciliation and Peace

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC

Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and a senior officer of the Ministry of National Unity, Reconciliation and Peace appeared before the committee.

The Chair welcomed the PS and officials and opened the hearing by inviting the PS to address the Committee.

The PS tabled a briefing document which was circulated to members and briefed the Committee on the major issues relating to its 2007 Supplementary Appropriation.

The Committee commenced questioning the PS and officers of the Ministry.

Evidence concluded.

The Committee deliberated.

3. **Close**
Committee adjourned at 2:40 pm until 3:00 pm.

Hearing 11 - Head 292 Ministry of Justice and Legal Affairs and Head 296 National Judiciary, 3:00 pm

1. **Members Present**
Hon. Seth Gukuna, MP (Chair)
Hon. Fred Fono, MP
Hon. Johnson Koli, MP

Witnesses

Mr. James Remobatu, Permanent Secretary, Ministry of Justice and Legal Affairs
Mr. Fred Dola, Chief Accountant, Ministry of Justice and Legal Affairs
Mr. Peter Lockay, Finance Advisor, Ministry of Justice and Legal Affairs

Secretariat

Mr. Eric Muir, Deputy Auditor General, Acting Secretary to the PAC
Mr. David Kusilifu, Committee Secretariat, Clerk to the PAC

In-Attendance

Ms. Merylyn Kodoleke, Director, Budget, Ministry of Finance and Treasury

Ms. Michelle Maschmedt, Advisor, Office of the Auditor General

Mr. Walter Malau, Auditor, Office of the Auditor General

2. The Permanent Secretary (PS) and officers of the Ministry of Justice and Legal Affairs appeared before the Committee.

The Chair welcomed the PS and officers and opened the hearing by inviting the PS to address the Committee.

The PS tabled a briefing document which was circulated to members and briefed the Committee on the operations of the Ministry and the National Judiciary and the major issues relating to the 2007 Draft Budget Estimates.

The Committee questioned the PS and Officers of the Ministry and the National Judiciary.

Evidence concluded.

The Committee deliberated.

3. **Close**

The Committee adjourned Sine die.