



National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

Report on the 2017 Supplementary Appropriation
Bill 2018



NP-Paper No. 35/2018

Presented on 31st October 2018

National Parliament Office

COMMITTEE MEMBERSHIP

The current members of the **Public Accounts Committee** (10th Parliament) are:

Hon. Douglas Ete, MP (Chairman)

Hon. Manasseh Maelanga, MP

Hon. Dr Derek Sikua, MP

Hon. Matthew C. Wale, MP

Hon. Snyder Rini, MP

Hon. Alfred Ghiro, MP

Hon. Christopher Laore, MP

Hon. Peter Tom, MP

Hon. Steve Abana, MP

Hon. Samson Maneka, MP

Secretary: Mr. Peter Lokay, Auditor General

Secretariat

Mrs. Jasmine Waleafea, Committee Secretary

Mr. Whitmon Tabiru, Committee Secretary

Mr. Wilson Orisi, Committee Secretary

Miss Ivory Iruha'a, Committee Secretary

Miss Salome Pilumate, Committee Admin

Mr. Philemon Loe, Media Officer

Miss Theresa Nori, Hansard Reporter

Miss Sherilyn Ragoso, Hansard Reporter

Miss Hazel Fafale, Hansard Reporter

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Public Accounts Committee

National Parliament of Solomon Islands

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COMMITTEE FUNCTIONS

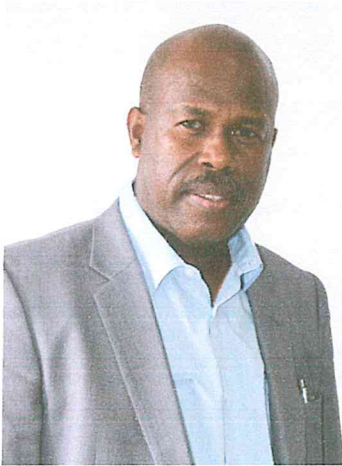
The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*¹ and has the functions, together with the necessary powers to discharge such,

- (a) examine the accounts prescribed by Section 77 of the Public Financial Management Act 2013, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
- (b) 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) 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) 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) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
- (f) 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) 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) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

¹ Section 62, *Constitution of Solomon Islands* 1978.

CHAIR'S FOREWORD

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE



Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the **2017 Supplementary Appropriation Bill 2018** for laying before Parliament.

A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and a vertical stroke.

Honourable Douglas Ete, MP

Chairman

Public Accounts Committee

31st October 2018

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EXECUTIVE SUMMARY

The Public Accounts Committee (PAC) had completed its scrutiny of the 2017 Supplementary Appropriation Bill (SAB) 2018 from the 17th to 18th October 2018 and 19 witnesses appeared before the Committee. This Bill was tabled before parliament to be regularized in accordance with the National Constitution and the Public Finance Management Act 2013, some 12 months later after the funds were expended by the government.

The 2017 SAB 2018 is required to appropriate \$43,906,376 for the service of the year ending 31st December 2017 - through Contingencies Warrant Section 58 and Advance Warrants Section 60 of the Public Financial Management Act 2013.

The Committee concluded that most of the requests made in the 2017 SAB 2018 were foreseeable and could have been factored in the 2017 Appropriation Bill 2017 except for issues of unknown nature as stipulated in provisions of the National Constitution and the Public Finance Management Act 2013.

On this note, the Committee reiterates previous calls for the need for the Ministry of Finance and Treasury to have robust planning processes within the fiscal budget year and factor these known expenditures in that year to prevent the application of a CW and further supplementary appropriation for that fiscal year.

The Committee is also concerned about the recurring practice by the government of procrastination. This is the practice of bringing forward arrears from previous years to another fiscal year as it will certainly have a diverse impact on the following year's budget. Also it will have a diverse bearing on the implementation of governments' action plans and will cause unnecessary strain on the current budget.

The Committee therefore makes the following recommendations;

- 1. The Committee is concerned about the length of time taken by the government and the Ministry of Finance and Treasury to table this important bill to Parliament. Therefore recommends that the Ministry responsible must regularize such appropriation in Parliament in the first quarter of the following fiscal Budget year.**

2. That the Ministry of Education and Human Resources Development assist communities by fully engaging in their efforts to repair and maintenance of their schools to ensure schools are rehabilitated in a timely manner.
3. That the Ministry of Education and Human Resources Development sets a minimum standard for infrastructure, specialized schools, teaching qualifications and curriculum and increase Government Budget Expenditure in the next fiscal budget year to around 12-15% of total budget for the MEHRD.
4. That the Ministry of Education and Human Resources Development take necessary steps to avail resources for implementations of projects to ensure budget support are not underspent on projects for each financial year.
5. That any donor funds for the support of programs conducted by line Ministries should not be held by the Ministry of Foreign Affairs and Trade but channeled to the respective Ministry responsible with the core business of delivering such programs (i.e. Tourism Funds should be disposed to the Ministry of Tourism to deliver and report on).
6. That the Ministry of Health and Medical Services phase out donor support to a 40% donor - 60% SIG component funding; and foster proper budget request to the Ministry of Finance and Treasury to avert the practice of seeking Parliament's approval for funds to reimburse donor moneys unspent in a fiscal year.
7. That Government maintains a rolling Special Disaster Fund Account and it must be adequately funded on continual basis to avert the practice of requesting the approval of Parliament for a CW. The Account must be co-signed by the Ministry of Finance & Treasury and Ministry of Environment, Climate Change, Disaster Management and Meteorology.
8. That the National Disaster Council through its supervising Ministry (Ministry of Environment, Climate Change, Disaster Management and Meteorology) table in Parliament its report on the disaster assessment and relief for the years 2016 and 2017 by virtue of the National Disaster Management Act 1989.

1.0 BACKGROUND TO REPORT

The Public Accounts Committee conducted hearings into the 2017 Supplementary Appropriation Bill 2018 from the 17th to 18th October 2018 with the object of determining and establishing the validity of the respective ministries expenditures and how funds allocated are being used under the Contingency Warrants (CW) and Advance Warrants (AW).

1.1 Scope of the Inquiry

The scope of the Inquiry was to inquire into the contents of the 2017 Supplementary Appropriation Bill 2018.

The above scope is captured in the Terms of Reference of this Inquiry under the provisions of Standing Orders 69.

1.2 Conduct of the Inquiry

The inquiry process involved hearings with line ministries that appeared before the Committee in view of the 2017 Supplementary Appropriation Bill 2018 and written submissions which includes necessary documents requested by the Committee.

The Committee wish to put on record its appreciation to the Permanent Secretaries (PSs), Under-Secretaries (USs) and other Senior Officials of Ministries who appeared before the Committee and provided invaluable information that assisted the committee in undertaking its important oversight role to ensuring that public funds are appropriated correctly for the purposes intended by parliament.

2.0 BACKGROUND INFORMATION

2.1 Supplementary Appropriation Bill

The 2017 Supplementary Appropriation (No. 10 of 2018) Bill 2018 is intended to appropriate a sum of \$43,906,376 by way of Contingency Warrant and Advanced Warrant under the provisions of Section 58 and an Advance Warrants Section 60 respectively of the *Public Financial Management Act 2013* for the delivery of public goods and service for the year ending 31 December 2017.

The amounts being appropriated were as follows:

Contingency Warrants

RECURRENT EXPENDITURE	AMOUNT	ITEMS
279 National Parliament	1,447,357	Additional funds to meet outstanding payments to service contracts for maintenance work on residential and non-residential buildings.
296 National Judiciary	1,380,064	Additional funding for High Court Judge's remuneration to preside over the Town Ground Plaza civil case.
299 Environment, Climate Change, Disaster Management and Meteorology	2,014,417	Additional funding towards the emergency food relief supplies for areas affected by the floods and earthquake.
TOTAL RECURRENT EXPENDITURE	4,841,838	

Advance Warrants

DONOR SUPPORT	AMOUNT	ITEMS
372 Education and Human Resources Development	3,773,837	DFAT and MFAT assistance to implement Makira schools rehabilitation.
373 Finance and Treasury	14,831,309	New Zealand Government support to Inland Revenue Division, DFAT support to ICTSU and UNDP support to Inland Revenue Division.
374 Foreign Affairs and External Trade	5,150,569	Funding by Enhanced Integrated Framework World Trade Organization for implementation of Solomon Islands Tourism for the Inclusive Development (SI-TIDE) project.
376 Health And Medical Services	2,313,833	To refund WHO, UNCEF and LSHTM unspent funds and to cater for infrastructure, operational and supply costs funded by DFAT and WHO.
381 Prime Minister and Cabinet	9,999,990	ROC funding to cater for constituency development programs for 39 constituencies.
392 Justice and Legal Affairs	2,500,000	PNG grant for the proposed reforms in Alternative Dispute Resolution and the establishment of National Mediation and Arbitration Council within MJLA.
399 Environment, Climate Change, Disaster	495,000	European Union funding for solar project at Selwyn College and Solomon Islands National University.

	Management and Meteorology		
	TOTAL ADVANCE WARRANTS	39,064,538	

3.0 ISSUES OF CONCERN TO THE COMMITTEE

272 MINISTRY OF EDUCATION AND HUMAN RESOURCES DEVELOPMENT

Makira schools rehabilitation

The Committee noted that following the Earth quake of 9 December 2016 DFAT of Australia and MFAT of New Zealand governments under the current bilateral relations opted to fund 21 schools on Makira. The first phase was for repair and retrofitting and the second was for rebuilding.

The Committee also noted that an assessment conducted by the MEHRD revealed that 21 schools required rehabilitation, two were destroyed and required reconstruction. The Committee further noted that one of the schools did their own repair and maintenance hence the Committee is of the view that schools that initiate their own repairs and maintenance should be provided funding and other assistance to complete the rehabilitation on a timely manner.

The Committee noted that the project did not commence in 2017 due to various challenges including the delay in the transfer of the funds once the donors had approved the request for funding and responses to the tender invitation were very slow and were not forth coming by the end of 2017.

As a result the project was appropriated again in 2018. 11 contractors were engaged since June 2018. Whilst seven schools were completed; four schools were in a state of WIP (work in progress).

Construction tenders for these seven schools were retendered in 2018. With the delay the committee learnt that one school did their own repairs and maintenance.

Recommendation 1

The Committee is concerned about the length of time taken by the government and the Ministry of Finance and Treasury to table this important bill to Parliament. Therefore the Committee recommends that the Ministry responsible must regularize such appropriation in Parliament in the first quarter of the following fiscal Budget year.

Education Financing

On the matter of Education Financing, the Committee noted that not all schools have access to funding resulting in these schools utilizing substandard, rundown facilities and infrastructures. Therefore the Committee is of the view that the government must consider developing minimum standards of infrastructure required by schools in the Solomon Islands.

The Committee heard that the Ministry supports the need for developing minimum standards for all schools in terms of infrastructure, specialized schools, teaching standards and curriculum standards. While this is the intention of the government and the ministry responsible, the Committee insisted that a minimum building infrastructure framework should be costed and rolled out in all schools around the country to ensure uniformity is sustained and enhanced.

The Committee noted from the presentations of the Permanent Secretary of Education Human Resources Development that in general facilities in rural schools around the country are really rundown. The need is huge therefore the Ministry has to prioritize this as a priority in future budgets make sure school facilities are upgraded to the standard required to provide quality education to the pupils and children of Solomon Islands .

The committee noted that there is serious need to increase the ministerial budget in this respect on grounds that the budget has been on a declining rate since 2016.

Recommendation 2

The Committee recommends that the Ministry of Education and Human Resources Development assist communities by fully engaging in their efforts to repair and maintenance of their schools to ensure schools are rehabilitated in a timely manner.

Budget support implementation

The Committee noted that the implementation of budget support projects have been very slow that resulted in a huge amount of funds unspent in 2017 fiscal year.

In this respect, the committee noted that the ministry has proposed to rollover unspent funds to the 2018 financial year but with the current rate of completion, the funding will be further rolled over to the 2019 fiscal year. Hence only 65% of the Makira School Rehabilitation project was completed to date and 35% was retendered and still uncompleted by 2018.

Recommendation 3

The Committee recommends that the Ministry of Education and Human Resources Development sets a minimum standard for infrastructure, specialized schools, teaching qualifications and curriculum and increase Government Budget Expenditure in the next fiscal budget year to around 12-15% of total budget for the MEHRD.

Recommendation 4

The Committee recommends that the Ministry of Education and Human Resources Development take necessary steps to avail resources for implementations of projects to ensure budget support are not underspent on projects for each financial year.

273 MINISTRY OF FINANCE AND TREASURY

The Committee is informed that the 2017 Supplementary Appropriation Bill 2018 is to regularize contingency warrants of \$4,841,838 and advance warrants of \$39,064,538 issued during 2017.

Budget outcome for 2017 and expected outcome for 2018

The objective of the committee's inquiry was to ascertain the impacts of the funds spend under the current 2017 SAB 2018 and whether explanations given by the Ministry on expenditures and their nature is in accordance with the principal Acts under the Ministry of Finance and Treasury's ambit and thereby make appropriate recommendations to the Government for improvements.

The budgeted deficit in the first 2 quarters until August of 2017 was \$98.4 million. This culminated in to an actual budget deficit of an inclusive amount of \$265 million at 31st December 2017. However, the PAC noted that the level of cash cover on international exports is two months valued at about \$300 m. This is a decline of 10 months cover in 2015 and 2016 Fiscal year.

Status of borrowing

The debt to GDP ratio for SIG is 9.7% and is well below the 30% recommended level. Some proposals to borrow is currently with the Ministry and these if approved would increase the ratio to an

unsustainable level. The Ministry will get a report on debt from the Debt Management Unit and provide to the Committee.

Apart from the Budget Deficit of \$265 million was an arrears of \$138 million arrears that would be appropriated later in the 2018 Fiscal budget. The Committee noted that outstanding commitments including the contract arrears of MID were included in the 2018 supplementary appropriation act 2018.

It is outside the ambit of this committee in its scrutiny of the 2017 Supplementary Bill 2018 to assume what the government would anticipate in 2018 fiscal years in terms of its revenue capture and financial measures to pay for the all outstanding contracts. However, the committee noted that the government had formulated policies to impose additional taxes on Tobacco, Vehicle imports, fuel and realigning the Inland Revenue department in view of improvements on compliances and the process of excise duty compliances at the ports in its endeavor to cater for the legal commitments and shortfalls realized in the 2017 fiscal budget.

The Committee heard that the Budget Unit's current initiatives includes a more centralized commitment process to enhance budgetary management of arrears, 4Ms group comprising MOFT and CBSI meeting regularly to review revenue and expenditure and to clear arrears in previous years budget shortfalls.

ICTSU Project

The Committee enquires into the status of the ICTSU project and whether the unit has the capacity to address cyber security issues facing the government and its agencies. The ICTSU building was already completed and the unit has already moved into the building. ICSTSU services are centralized and all government agencies are now connected through SIG Connect. National Parliament is yet to connect to the ICTSU system. The cable project will increase internet capacity but will also allow various undesirable groups to have access to SIG system so all users need to be vigilant. A project is in place to review cyber security in the system but there is need to build capacity to address cyber security issues.

Budgetary Processes/Continuous misappropriation of Supplementary Appropriation

The Committee is concerned that the trend to pursue supplementary is becoming regular and subjected to abuse. Ministries were advised every year to cut their bids and utilize virements, CWs and supplementary. There is no discipline in planning and no reform is forthcoming from the ministry.

The Ministry acknowledges that it is hard but not too hard to undertake reforms in this area. The Budget Unit is reviewing the Ministry commitments so that baseline budgets also include commitments plus new programs. The commitments process will be centralized so that it is managed properly and Treasury will have to improve on its reporting obligations. DFAT is funding the upgrade of the financial information system AX, including the general ledger to address this. The upgrade is expected to complete by 2020.

Preferred supplier arrangement

The Committee is concerned with recent media reports that the PSA is disadvantaging indigenous and small businesses in accessing procurement services of the government. The government needs to put in place a policy to address the need to promote local businesses.

The Ministry indicates that the media reports do not provide accurate message. Ministries have MTB and CTB for procurement of goods and services. The tender process seemed to be working well. The capacity of local service providers regarding large projects is an issue. Putting in place a correct balance is required as the number of preferred suppliers for some products is too high for example 15 preferred suppliers for IT services.

274 MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE

SI Tourism for inclusive development project

The Committee made inquiries into the process for accessing the grants for tourism projects. The Committee also enquires into the various donor support provided under the program.

The project was initiated in 2012 as part of the DOHA development agenda to assist least developed countries especially those with weaker economies. It is a three yearly cycle project and the first tier of 3 years was completed. The Ministry requested an extension which resulted in the tier 2.

The consultancy fee of \$1.426 was used to fund four local consultants to strengthen the Ministry of Tourism through the development of a tourism policy and tourism strategy and organizational and management structure of the MCT. The conferences, seminars and workshop of 405,000 was used to fund capacity development of officers of the two ministries including trade negotiations and national trade policy framework.

The grant of \$1.677 was used to fund tourism projects within the country. A total of nine projects from Guadalcanal, Isabel, Makira, Malaita and Western were support. The support covered capacity building, facilities and infrastructure mainly building. The Ministry in collaboration with the Ministry of Tourism put out expressions of interest for project proposals. Once the proposals were received the oversight committee comprising representatives of MFAET and MCT then determined the recipients. The funding then was disbursed through the project unit within the Ministry. All the projects were monitored by the two ministries. SINU and SIVB also collaborated on the project. In 2018 the project funding was extended to the agriculture sector.

Recommendation 5

The Committee recommends that any donor funds for the support of programs conducted by line Ministries should not be held by the Ministry of Foreign Affairs and Trade but channeled to the respective Ministry responsible with the core business of delivering such programs (i.e. Tourism Funds should be disposed to the Ministry of Tourism to deliver and report on).

276 MINISTRY OF HEALTH AND MEDICAL SERVICES

Health service grant primary - The Committee enquires into the purpose of the health services grants – primary

The Committee heard that the funding was from DFAT and is performance based and that the grant can only be disbursed based on an assessment done by an independent review against a set of national and provincial performance indicators. The grant was centralized and can only be disbursed after the independent review has released a report.

Budget support implementation

The Committee is concerned with the repeated refund of budget support funds due to no spending within the financial year. The Committee enquires into whether there are mechanisms in place to ensure donor funds are spent in the specified period prescribed.

The committee noted that there is need for the MHMS to strengthen planning and budgeting process within the ministry to address these shortcomings.

The Committee further noted that the high rate of turn over (brain Drain) and the laxity within Public Service on issues of postings contributed to the capacity issue and the Ministry is reviewing this in the various departments.

In terms of the Budget, PAC noted that it was based on submissions from departments but some departments have not fully implementing their programs during the year and as such had to donors funds had to be reimbursed back for the previous year to enable future funding can be made available for the next fiscal budget year.

Recommendation 6

The Committee recommends that the Ministry of Health and Medical Services phase out donor support to a 40% donor- 60% SIG component funding and foster proper budget request to the Ministry of Finance and Treasury to avert the practice of seeking parliament's approval for funds to reimburse donor moneys unspent in a fiscal year.

279 NATIONAL PARLIAMENT

National Parliament infrastructure

The Committee made subsequent enquiries into the current status of contract for the new en-route road to Parliament and other infrastructure plans.

The Committee noted that there was no adequate funding for this in the 2017 Supplementary Appropriation Bill hence, requested Parliament Office to submit its work program to the House Committee to deliberate on and who should then make a submission to the Office of the Prime Minister

on matters to funding. In this regard, the Committee acknowledged the major infrastructure developments that have been done by the Clerk so far regarding this issue.

The Clerk confirms that the road contract was terminated due to non-performance. MID was requested to provide funding to resume the construction but due to no fund the project will be submitted for consideration in the 2019 budget.

About \$5m has already been spent on the ComSec proposed building plan which was done by Nambawan Architect. There is still an outstanding payment to be made however the plan is now with the Clerk's Office. The Clerk has also informed of informal discussions with Ministry of Foreign Affairs regarding funding. One option under discussion is to pursue a Public Private Partnership (PPP) arrangement which will require the deliberation of the House Committee. The total cost if the building is around AUD 18m – AUD 20m.

281 OFFICE OF THE PRIME MINISTER AND CABINET

Constituency Development Programs

The Committee confirm receiving a written submission from the Office of the Prime Minister regarding Advanced Warrant as requested by the PAC. This is a total of SBD\$9.9million by ROC as grant for 39 Constituencies in 2017. List of the Constituencies is in the **Appendix 5.3**.

292 MINISTRY OF JUSTICE AND LEGAL AFFAIRS/NATIONAL JUDICIARY

Town Ground Plaza case

The Committee is concerned with the CW not being fully utilized for the case. These locked up funds that could be utilized for other purposes. The Committee is concerned with the capacity and technical skills of local judges to preside over complex commercial civil cases such as the Town Ground Plaza case.

The Ministry confirmed that the case has gone to the Court of Appeal and judgement delivered. The law restricts the number of judges to six so the Ministry is unable to recruit additional judges. There is

a need to upskill and train high court judges so that they can be able to preside over complex commercial cases. This is yet to be addressed by the Ministry.

PNG funding

The Ministry informed the Committee that a CW was raised for \$2.5million in 2017 to fund a study on alternative dispute resolution but was not spent. It was appropriated again in 2018 to under the 2018 Appropriation 2018 Act. The Committee noted that the Ministry of Justice and Legal Affairs found it difficult to recruit a consultant for the project hence funds provided by DFAT is currently held under the watch of the Office of the Prime Minister.

299 MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY

Solar Pilot project at Selwyn College and Training at SINU

The PAC heard that there was no work done in 2017 except for a tender invitations for the establishment of the solar project. The funds were later appropriated in 2018 and advertised. Closing date would be on 15/11/2018. There are a lot of interests already been received from local and overseas entities. The work is expected to start in December 2018 and complete in May 2019.

In regards to the SINU training component the first intake for the solar course will be in the second semester of 2019 academic year.

Disaster relief

The Ministry stated that the money for the disaster relief was for ration assistance to residents of Makira that were affected by the earthquake in December 2016. The assistance was provided during the months of January to March 2017. A report has already been released to this effect.

With the changing weather pattern over the last 5 years that prompted the likeliness of a natural disaster to occur at any time, the Committee suggested that a special disaster account should be established to avoid running to a CW every time a disaster relief is required in Solomon Islands.

The PAC noted that there is a special Disaster Fund created but yearly provisions are not forth coming although budget submissions for disaster relief were submitted each year. In 2017 the Ministry of

Finance and Treasury gave a baseline budget of \$2m each year. To compound the suffering of those affected by natural disasters the Ministry had to rely on assessment reports before submitting requests for additional funding to MOFT.

The PAC also noted that there is grave problems with the delay in funding through MOF&T and had had a diverse impact on the effectiveness as to the provision of assistance to those affected. The special fund account maintained by the Ministry relies on donor funding and SIG funding to make it operational.

Most of the provinces have disaster management offices that provide linkage to the main office in Honiara but the process of providing assessment reports on a timely basis is still an issue.

Recommendation 7

The Committee recommends that Government maintains a rolling Special Disaster Fund Account and must be adequately funded on continual basis to avert the practice of requesting the approval of parliament for a CW. The Account must be co-signed by the Ministry of Finance & Treasury and Ministry of Environment.

Recommendation 8

The Committee recommends that the National Disaster Council through its supervising Ministry (Ministry of Environment, Climate Change, Disaster Management and Meteorology) table in Parliament its report on the disaster assessment and relief for the years 2016 and 2017 by virtue of the National Disaster Management Act 1989.

4.0 CONCLUSIONS

Responsible line ministries and in particular the Ministry of Finance, fails to adhere to repeated advices by the Committee to strengthen its budgetary process and make provisions to avert the use of Contingency Warrants for foreseen expenditures and recurrent expenditures.

The Committee wishes to re-emphasise that spending of monies intended for public good without Parliament's approval is illegal and monies should be appropriated prior to any expenditures.

The Committee also noted that the delayed appropriation of such previous financial year's expenditures undermines the credibility of the 2017 Final Budget Outcome Report that was tabled in Parliament. Thus the Committee hopes that responsibility Ministries do take heed of these observations.

END OF REPORT

5.0 APPENDICES

5.1 Minutes of Proceedings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

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Minutes of Proceedings
Committee Hearing into the 2017 Supplementary Appropriation Bill 2018

Day 1 /2018

Wednesday 17th October 2018, CR II, Parliament House 09:55 am

1. Members Present

Hon Douglas Ete, Chairman
Hon Matthew Wale, MP
Hon. Peter Tom, MP
Hon. Manasseh Maelanga, MP

Secretary: Mr. Peter Lokay

Secretariat

Mrs. Jasmine Waleafea, Committee Secretary
Mr. Whitmon Tabiru, Committee Secretary
Mr. Wilson Orisi, Committee Secretary
Miss Ivory Iruha'a, Committee Secretary
Miss Salome Pilumate, Committee Admin
Mr. Philemon Loe, Media Officer
Mr. Lawrence Scott, Media Officer
Miss Theresa Nori, Hansard Reporter
Miss Sherilyn Ragoso, Hansard Reporter

2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. Inquiry into the 2017 Supplementary Appropriation Bill 2018

The Hearing proper commenced and the following witnesses from Ministry of Finance and Treasury were admitted:

Hearing 1 Witnesses

- i. Mr. Norman Hiropuhi, Undersecretary Fiscal
- ii. Mr Coswal Nelson, Director Budget Unit
- iii. Mr Bruce Williams, Accountant General

The witnesses made their presentations before the committee. The committee questioned the witnesses based on the evidences presented. The examination concluded.

Hearing suspends at 10:58 am

The Hearing proper resumed at 11:05 am and the following witnesses from the Ministry of Education and Human Resources Development were admitted:

Hearing 2 Witnesses

- i. Dr. Franco Rodie, Permanent Secretary
- ii. Miss Merylyn Kodoleke, Director Finance
- iii. Mr. Hanson Makoani, Manager Asset

The witnesses made their presentations before the committee. The committee questioned the witnesses based on the evidences presented. The examination concluded.

The Hearing suspends at 011:32 am for Lunch

The Hearing proper resumed at 01.46 pm and the following witnesses from the Ministry of Environment, Climate Change, Disaster Management and Meteorology were admitted:

Hearing 3 Witnesses

- i. Mr. Bobby Ramo, Financial Controller
- ii. Mr. Allan Rangi, Human Resources Manger
- iii. Mr. Fox Qwaina, Project Manager EU-GIZ ACSE Project
- iv. Mr. Chris Paul, In Country Coordinator EU-GIZ ACSE Project

The witnesses made their presentations before the committee. The committee questioned the witnesses based on the evidences presented. The examination concluded.

The Hearing suspends at 02:16 pm

The Hearing proper resumed at 02:25 pm and the following witnesses from Ministry of Foreign Affairs and External Trade were admitted:

Hearing 4 Witnesses

- i. Mr. Joseph Ma'shanua, Permanent Secretary (Acting)/ Trade Commissioner
- ii. Mrs. Loise Daga, Financial Controller

The witnesses made their presentations before the committee. The committee questioned the witnesses based on the evidences presented. The examination concluded.

The Hearing suspends at 02:54 pm

The Hearing proper resumed at 02:57 pm and the witness from the National Parliament Office was admitted:

Hearing 5 Witnesses

- i. Mr. Clezy Rore, Clerk to the National Parliament of Solomon Islands

The witness made his presentations before the committee. The committee questioned the witness based on the evidences presented. The examination concluded.

The Hearing suspends at 03:11 pm

The Hearing proper resumed at 03:25 pm and the witnesses from the Ministry of Health and Medical Services were admitted:

Hearing 6 Witnesses

- ii. Mr. Arnold Moveni, Undersecretary Administration & Finance
- iii. Dr. Gregory Jilini, Undersecretary Health Care
- iv. Mr. Ivan Ghemu, Director Policy and Planning

The witness made their presentations before the committee. The committee questioned the witnesses based on the evidences presented. The examination concluded.

Hearing concluded

4. Adjournment:

The committee adjourned hearing at 03:42 pm

5. Documents Tabled

- a. OMPC - 2017 SAB 2018 Explanatory Notes – Purchase Order
- b. OPMC – Advance Warrant – NDF
- c. OPMC – Submission Notes to PAC

Minutes of Proceedings

Committee Inquiry into the 2017 Supplementary Appropriation 2018

Day 2 /2018

Friday 18th October 2018, CR II, Parliament House 09.54 am

1. Members Present

Hon Douglas Ete - Chairman

Hon. Mathew Wale, MP

Hon Derek Sikua, MP

Secretary: Mr. Peter Lokay- Auditor General

Secretariat

Miss Salome Pilumate, Committee Admin

Miss Ivory Iruha'a, Committee Secretary

Miss Theresa Nori, Hansard Reporter

Mr. Philemon Loe, Media Officer

2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. Inquiry into the 2017 Supplementary Appropriation Bill 2018

The Hearing proper commenced and the following witnesses from the Ministry of Justice and Legal Affairs were admitted:

Hearing 7 Witnesses

- i. Mrs. Ethel Sigimanu, Permanent Secretary
- ii. Mrs. Lynette Tora, Chief Executive Officer National Judiciary

The witnesses made their presentations before the committee. The committee questioned the witness based on the evidences presented. The examination concluded.

Hearing concluded at 10:15 am

4. Adjournment:

The committee adjourned hearing at 10:15 am

5. Documents Tabled

- a. None

5.2 List of Submissions

No	Author
1.	Office of the Prime Minister & Cabinet, 2017 SAB 2018 Explanatory Notes – Purchase Order
2.	Office of the Prime Minister & Cabinet, Advance Warrant - NDF
3.	Office o the Prime Minister & Cabinet, Submission Note to PAC
