



National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

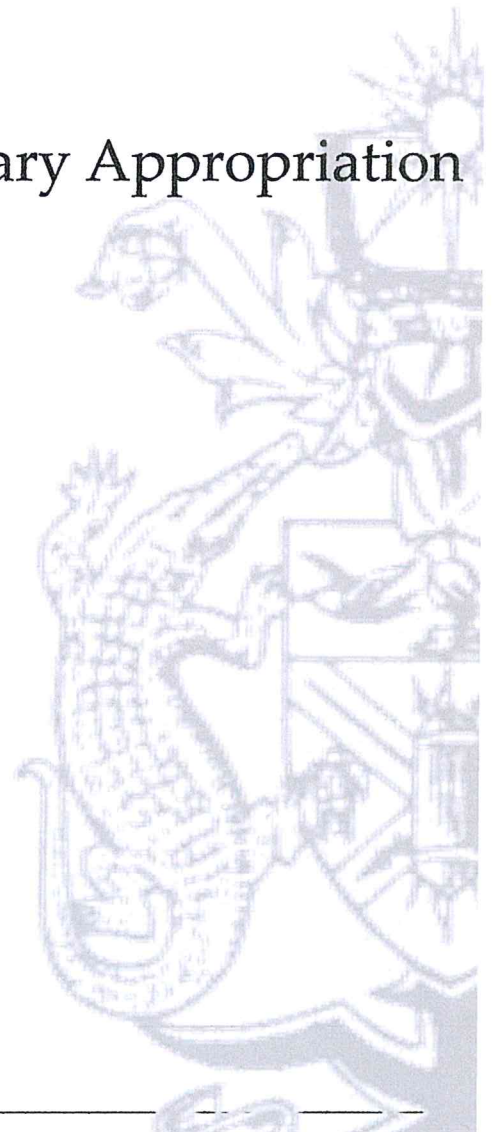
Report on the 2017 Supplementary Appropriation
Bill 2017



NP-Paper No. 7/2017

Presented on 3rd April 2017

National Parliament Office





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COMMITTEE MEMBERSHIP

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

Hon. Rick Houenipwela, MP (Chairman)

Hon. Jeremiah Manele, MP

Hon. Dr Derek Sikua

Hon. Steve Abana, MP

Hon. Matthew C. Wale, MP

Hon. Connelly Sandakabatu, MP

Hon. Derrick Manu'ari, MP

Hon. Nestor Giro, MP

Secretary: Mr. Peter Lokay, Auditor General

Secretariat

Mrs Jasmine Waleafea

Mrs Emily Kupenga

Ms Salome Pilumate

Ms Ivory Iruha'a

Mr Wilson Orisi

Mr Wilson Anii

Mr Gregory Fineanganofa

Mr Marson Lilopeza

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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 2017 for laying before Parliament.

A handwritten signature in blue ink, appearing to read 'R. S. Houenipwela', with a stylized flourish at the end.

Honourable Rick Houenipwela, MP

Chairman

Public Accounts Committee

April 3, 2017



1.0 BACKGROUND TO REPORT

The Public Accounts Committee conducted hearings into the 2017 Supplementary Appropriation Bill 2017 from the 24th to 27th March 2017, to determine and establish the validity of line ministries usage of 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 2017.

The above scopes are captured in the Terms of Reference of this Inquiry under Standing Orders 69.

1.2 Conduct of the Inquiry

The inquiry process involves hearings for line ministries appearing in the 2017 Supplementary Appropriation Bill 2017 in which written submissions as well as necessary documents requested by the Committee were received.

The Committee wishes to put on record its appreciation to the Permanent Secretaries (PSs), Under-Secretaries (USs) and other Senior Officials of various Ministries who came before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role, by ensuring that public funds are allocated and expended appropriately and for the public good.

The Committee also wishes to acknowledge the representatives of the Central Bank of Solomon Islands who appeared before the Committee.

The Committee wishes to further put on record its disappointment on the unavailability of certain Senior Public Officials who were not available when the Committee demand their attendances to the hearings. It is important that all Accounting Officers of all government ministries be available during all budget hearings to furnish the Committee and Parliament on matters regarding their budgets.

2.0 BACKGROUND INFORMATION

2.1 Supplementary Appropriation Bill

The 2017 Supplementary Appropriation Bill 2017 is required to appropriate \$13,746,052 for the service of the year ending 31 December 2017 – through Contingencies Warrants and Advance Warrants in terms of Section 58 and Section 60 respectively, of the *Public Financial Management Act 2013*. Additional funds are requested through Variation in Appropriations as provided for under Section 54 of the Act.

The amounts being appropriated were as follows:

Contingency Warrants

RECURRENT EXPENDITURE		AMOUNT (\$)	ITEMS
283	MINISTRY OF POLICE, NATIONAL SECURITY AND CORRECTIONAL SERVICES	8,000,000	Fund for procurement of ceremonial and duty uniforms for RSIPF and CSSI.
TOTAL RECURRENT EXPENDITURE		8,000,000	

Advance Warrants

DONOR SUPPORT - RECURRENT		AMOUNT (\$)	ITEMS
399	MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY	1,046,052	European Union (EU-GIZ ACSE) support for project copying with Climate Change in the Pacific Region for replacement of diesel powered generation with Solar Hybrid Generation (Selwyn College and SINU).
TOTAL RECURRENT ADVANCE WARRANTS		1,046,052	

Variations in Appropriations

DEVELOPMENT EXPENDITURE			
473	MINISTRY OF FINANCE AND TREASURY	4,700,000	Additional Fund for National Statistics Office (NSO) Development projects/implementation of key nationwide statistics projects.
TOTAL VARIATIONS		4,700,000	

2.2 Economic Overview

Below is summary of the 'Monthly Economic Bulletin'² of the Central Bank of Solomon Islands (CBSI) for the month of February 2017 and Budget Revenue and Expenditure for 2017³.

Monetary Developments

- Total money supply (M3) barely increased by 0.2% to \$4,605 million in February, although 17% higher than the same period last year. The month-on-month outcome was sustained by marginal increases in narrow money (M1) and other deposits (savings and time), the former by 0.2% to \$3,618 million and the latter by 0.1% to \$987 million. The growth in M1 was attributed to slight increases in currency in active circulation and demand deposits to \$665 million and \$2,953 million respectively. Other deposits benefited from a 4% rise in savings to \$160 million outweighing a 1% fall in time deposits to \$826 million.
- **Domestic Market Operations** - The stock of CBSI Bokolo bills remained at \$750 million at end February. The weighted average yield (WAY) for the 28 days remained at 0.62% from the previous month. Meanwhile, the WAY for Government treasury bills for 56, 91 and 182 days remain unchanged at 0.34%, 0.46% and 1.12% respectively as in January 2017.

External Conditions

- The balance on trade in goods for February 2017 recorded a provisional \$52 million deficit from a \$46 million surplus in the previous month. This negative outcome emanated from the significant fall in exports by 30% to \$198 million and a 6% increase in imports to \$250 million during the month. The drop in exports was attributed to falls in exports of round log and fish, despite increases in mineral and agricultural exports. The rise in imports reflected increases in food, machineries and other import during the month while imports for mineral fuel and basic manufactures recorded a fall.
- **Gross Foreign Reserves** - The country's gross foreign reserves fell by 3% to \$4,075 million due to higher import payments over the month. This level of reserves was sufficient to cover 10.5 months of imports of goods and services.

² CBSI, 'Monthly Economic Bulletin', February 2017. Volume. 07, Issue No. 12. Viewed in: <http://www.cbsi.com.sb/wp-content/uploads/2017/03/FEB2017-MEB.pdf>

³ Submission #3 - MoFT

Government Finance

- **Cash reserves** – The closing balance for the month of December 2016 and the opening balance for January 2017 is \$150 Million. The opening and closing balances for the month of February 2017 are \$191 Million and \$153 Million respectively.⁴

- **2017 Budget Revenue and Expenditure** - As of the 24th of March 2017, the Solomon Islands Government have executed \$683 million or 18% of the annual revised Budget of \$3.8 billion. The break-up of expenditures to date are as follows:
 - The highest rate of expenditure has been across Other Charges at \$349 million or 23% of the total budget of \$1.531 billion.
 - The second highest rate of expenditure has been across Payroll at \$204 million or 20% of the total budget of \$1.03 billion.
 - The lowest rate of expenditure to date has been across the Development Budget at \$122 million or 10% of the total budget of \$1.18 billion.

- **From Figure 1 (below):** The level of monthly expenditures for 2017 is higher than revenue collections from January to March. If this trend continues, the SIG will 'ration' cash on a monthly basis in order to ensure basic payments such as salaries, rentals and utilities are covered. Payments to Government services at this point are only being made as and when tax and non-tax revenues are collected.
 - The rate of expenditure is much higher than the rate of revenue collections and at this point:
 - Although revenue collections in February were lower by \$40 million this year in comparison to 2016, total SIG expenditures were higher this year than last year's expenditure in the month of February by \$33 million or 13%.
 - In February, although revenue collections were far lower than anticipated than last year, expenditures far surpassed revenue collections by \$108 million or 59%.

⁴ Submission #3 - MoFT

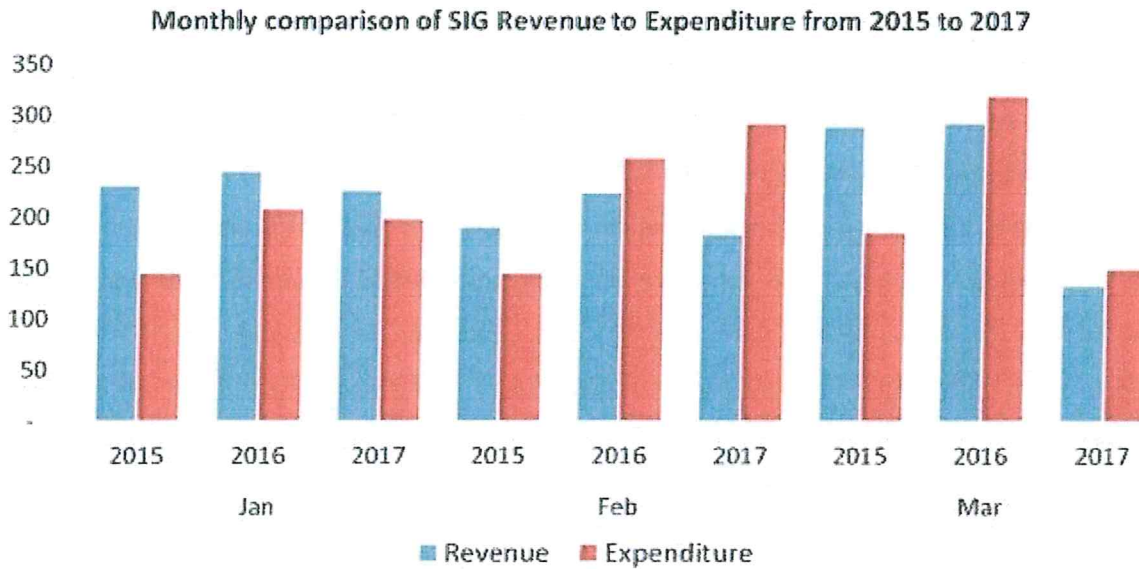


Figure 1: Monthly comparison of Solomon Islands Government Revenue to Expenditure from 2015 to 2017. Source: Submission #3, MoFT).

- The Central Government recorded a large fiscal deficit of \$112 million this month in contrast to a surplus of \$26 million in the previous month. The fiscal deficit came from a 48% upsurge in total expenditure to \$295 million while total revenue dropped by 19% to \$183 million. Meanwhile, total debt stock continued with the downward trajectory seen since December 2016. The fall in Government revenue against the previous month was driven by a 17% decline in tax receipts to \$172 million. This stemmed from falls in income and profit taxes, taxes on good and services, and international trade tax. Similarly, non-tax revenue went down to \$11 million this month from \$18 million in the previous month, following lower returns from fishing licenses. Meanwhile, the sharp increase in government expenditure against the month prior was due to a 26% increase in recurrent spending to \$242 million and a \$46 million increase in development expenditure to \$53 million. Higher spending on consumption and other spending largely explained the growth in the recurrent spending. Whilst the rise in the development expenditure was due to increased spending on roads, bridges and residential dwellings.
- Government debt stock fell by 0.4% to \$675 million, following a \$2 million debt repayment during the month. Of the total debt, external debt which made up a bulk of total debt fell marginally by 0.5% to \$631 million whilst domestic debt, went up by a percent against the previous month to \$44 million.

Domestic Production

- Based on preliminary estimates, the CBSI monthly production index fell by 9% in February to 80 points from 87 points in the previous month. This was largely driven by the declines in round log and palm oil productions during the month. Round log volumes dropped by 19% following a 22% decline in January. Likewise, crude palm oil and palm kernel oil fell by 6% and 5% respectively. These outweighed the increases in cocoa, copra and fish catch during the month. Preliminary cocoa production indicators increased significantly by 22%, continuing the growth recorded in January, copra surged by 22% while fish catch went up notably by 11% during the month. In terms of prices, average international prices for log and fish each grew by 2%. Meanwhile, cocoa and palm kernel oil prices fell by 8% each, copra prices dropped 6% while the price for crude palm oil declined by 3%.
- **Headline Inflation** – Headline inflation remain subdued for the sixth consecutive month at minus 2.7% in January 2017 from minus 2.8% in the previous month reflecting offsetting movements in domestic and imported inflation during the month. Domestic inflation rose from minus 1.8% to minus 1.4%, while imported inflation dampened to minus 4.8% from minus 4.6% in the previous month. The turnaround in domestic inflation was supported by price pickups in the food category, drinks and tobacco, transport and communication, and recreation. However, the decline in imported inflation reflects the continued fall in prices attributed to food, ‘housing and utilities’, household operations and miscellaneous items. Of the overall headline inflation, food accounted for minus 1.1%, housing and utilities with minus 0.6%, transport and communication at minus 0.3% and recreation for the remaining 0.2%.
- **Honiara Fuel Prices** – The average fuel price in Honiara increased further in February by 42 cents to \$8.21 per litre, reverting to 2015 trends. This reflected increases in all fuel categories during the month. Kerosene prices increased by 49 cents to \$8.19 per litre from \$7.70 per litre, petrol prices grew by 42 cents to \$8.32 per litre from \$7.90 per litre while diesel prices went up by 35 cents to \$8.11 per litre from \$7.76 per litre.

3.0 ISSUES OF CONCERN TO THE COMMITTEE

Ministry of Finance and Treasury

Bad Planning and Poor Budgeting

One of the concerns raised by the Committee is the evidence of poor planning seen in the Supplementary Bill. This led to several issues including those described below.

The 2017 Supplementary Appropriation Bill 2017 (2017 SAB 2017) comes only after two months of operation into 2017. While it is perfectly legal to do so, it is unprecedented. The Committee is very concerned that the submission of 2017 SAB 2017 has shown not only the effect from bad planning and poor budgeting, but it has gotten worse. It means departments concerned (those in this supplementary) have ran out of funds as allocated for those heads under the 2017 Appropriation just two months into the year. Requests presented for supplementation could have been better planned and budgeted for in the 2017 Appropriation Bill 2016.

MoFT condone Use of CWs

The Committee is further concerned that the use of CWs is becoming normal practice throughout all government ministries in regards to their budget submissions. This concern has been noted before, but again during the inquiry this year, the Ministry of Police, National Security and Correctional Services for example revealed that their budget requested in this Supplementary Appropriation was in their original budget for this subhead. However, it was removed from their submission in the 2017 Appropriation Bill 2016. The Ministry have been advised by Budget Unit that if needed they could re-submit through a supplementary later on. Furthermore, the Committee is concerned that this practice confuses normal cash management (which is a role for Treasury), and the budget process which all ministries must comply with. The Committee noted with great concern that MoFT condones and continues to entertain this practice.

The Committee urges that instead the Ministry must lead the way in ensuring all government ministries comply with the budget process and that budget submissions accurately represent their respective program and activities. Accounting officers must discontinue the practice of relying on supplementary appropriation as a fall back for bad planning and poor budgeting. The Committee repeats the call for

the MoFT to continue relevant training in planning and budget preparations for all accounting officers in all line ministries.

Recommendation 1

The Committee recommends that the Ministry of Finance and Treasury:

- i) ensure line ministries comply with the budget cycle in presenting budget submissions on time, and ensure submissions for appropriation accurately represents respective ministerial programs and plans;
- ii) Carry out regular training in planning and budget preparation for all accounting officers in line ministries

Government Borrowing - The Committee was informed that the Government has borrowed under a Bond Issues totalling \$150 Million from the Solomon Islands National Provident Fund. It was informed that the proceeds are to go towards the Under Sea Cable Project as well as to purchase government shareholding in Solomon Telekom and South Pacific Oil, who are subsidiaries of the SINPF. The Committee noted that in terms of the 2017 Appropriation Act 2016, the amount is within the borrowing ceiling of \$900 Million allowed under that Act. However, the Committee further noted that approval for the borrowing was specifically allocated for infrastructure projects. The Committee is of the view that the purchase of government shareholding in the two companies was not considered by Parliament for the borrowing ceiling. Therefore to use the loan proceeds for that purpose is an infringement on the spirit of the appropriation as approved by Parliament under the 2017 Appropriation Act 2016. This is a matter of great concern to the Committee.

The Committee warns against the practice of making "blanket" requests for borrowing without providing any information on indicative projects and programs for future borrowings. It is not prudent and it is bad practice, which could lead to government using borrowed money for unplanned expenditures.

Recommendation 2

The Committee recommends that the Government must provide information on indicative projects for funding under any government borrowings in all future Appropriations.

Re-investing in Investment Corporation of SI (ICSI) – The Committee noted that the Government is going to use part of the proceeds from the borrowing from SI NPF to buy shares into Solomon Telekom and South Pacific Oil Ltd through ICSI. ICSI is the investment arm of the government which holds shares on behalf of the Government in various private companies. The history of shareholding through ICSI has not been a good story. This is due to the solvency of a number of portfolio companies it invested in, and the lack of support and direction by the government. Over the years, the government lost millions of dollars in salvaging these companies out of insolvency. Previous government policy therefore was to divest out of ICSI, which left only the airline and a minimum shareholding in Solomon Telekom in ICSI books.

The Committee acknowledged that the decision to reinvest in ICSI is a policy decision of the current Government. When asked what the policy rationale for this reversal of policy, the officers could not provide relevant information. The Ministry however, informed the Committee that there is no information at hand, including audited financial statements, on ICSI operations for a number of years. The Committee noted that ICSI comes under the Auditor-General's Office purview which is to organize an external auditor to carry out that audit.

The Committee is concerned that even without any financial information on that entity or any assessment on the potential return on investment from that shareholding, the Government proceeds to make such investment. The Committee urges the Office of the Auditor General to carry out the audit into the operations of ICSI and to establish its financial status.

Recommendation 3

The Committee recommends that;

- i) The Office of the Auditor General to carry out the audit into the operations of Investment Corporation of Solomon Islands (ICSI) and to establish its financial status;
- ii) The Ministry of Finance and Treasury conduct a thorough assessment on the potential return on investment from the shareholding into the two subsidiary companies through ICSI.

Cash Balance Information

The opening cash balance for January 2017 was \$150 Million and the closing cash balance at the end of February 2017 stands at \$153 Million, a tracking record from 31 December 2016. Given the responses to the inquiry into this matter, the Committee cannot say with confidence that the information provided

is complete. However, it would indicate a worrying trend in terms of the Government fiscal position, which underscores ongoing concerns and questions whether or not the current level cash flow is adequate to meet all government financial obligations under this year's budget and other claims on government. The Committee noted that previously the MoFT used to maintain a certain benchmark two (2) months of payments as cash cover to ensure not only against emergency situations but also to ensure emergency and other critical services continue uninterrupted. It is not clear whether or not the MoFT still maintain such as bench mark as part of cash management strategy.

Recommendation 4

The Committee recommends that the Ministry of Finance and Treasury maintain cash cover of two (2) months of payments as a benchmark in its cash management strategy.

Undersea Cable Project

Awarding of contract to Huawei – In response to questions, the Ministry informed the Committee that Huawei was awarded the project for the Undersea Cable in line with government policy decision. The Ministry also informed that work on the project was progressing, with the establishment of a local company, the Solomon Island Submarine Cable Company; which would own the cable and actual implementation of the project to start soon. However, the Committee noted with concern that the award to Huawei did not comply with Solomon Islands procurement procedures, and noted that this was an important reason for the original financing arrangements falling apart and ADB walking away from the project.

From media reports, the Committee is aware of allegations that the Huawei Technologies Co. Ltd (a Chinese telecommunications company) had promised the Prime Minister a political donation of \$40 Million for the awarded of the contract. If true, this is a corrupt and a criminal offence and the Committee calls on the RSIP to conduct an urgent investigation into this. The Committee is of the view that this is the main reason for the Government to bypass procurement requirements in favour of the company Huawei. But equally important, it is a matter of serious concern to this country that the head of the Executive branch should even allow such a proposal to be considered. Such conduct is inappropriate and certainly undermines any effort by the current government to fight corruption.

Recommendation 5

The Committee recommends that the Royal Solomon Islands Police (RSIP) conduct an urgent investigation into the political donation of \$40 Million by the Huawei Technologies Co. Ltd to the Prime Minister for the award of the contract.

It is not clear to the Committee of the total cost to the undersea cable project. However, if past experience and history is anything to go by, then it is very certain this alleged of political contribution plus all other unrevealed kickbacks are an over-valuation on the contract which Solomon Islands tax payers will be repaying in the future.

Use of Community Service Obligations: The Committee did not receive from the Ministry any information on how SOEs would be covered under the Community Service Obligation budget for 2017. Community Service Obligations is a very important part of the Government continual support to SOEs to provide community services for public use on behalf of the government. Without this support SOEs may not be able to provide their services. The Committee noted that \$5 Million is transferred out from the original budget under the Head 0072-0000-4045 (**Community Service Obligation**) to Subhead 0001-4041-5100 (**Capex – Non Residential Buildings**). This means SOEs will be denied their intended support for community services which they often provide on behalf of the government. The Committee is of the view that this another example of bad planning and poor budgeting.

Ministry of Police, National Security and Correctional Services

Use of CWs for Uniforms – In response to the questions as to why an expenditure item such as police uniform should be appropriated under Contingency Warrant, the Ministry informed that this had been already budgeted in 2017's Estimate which they were denied when it was removed from the budget. They explained that the Ministry had to resort to the use of a CW to fund for the items as it was already becoming urgent. Staff also informed that the tender processes for the uniforms has just recently being completed, hence the establishment of the true costing. The Committee however noted that this attests to the fact that the problem of **bad planning and poor budgeting** is widespread throughout government ministries.

Cost of Policing Report - The Committee was assured by the Ministry that in terms of policing, the RSIPF is fully prepared to pick up from where RAMSI had left. However, the Ministry said that in order

to ensure its capability is retained RSIPF will require further investment from which they expect to submit further supplementary in June in respect of RSIPF investment. The Ministry informed that RSIPF's long term investment and budgeting is aligned with the **Cost of Policing Report**.

Ministry of Infrastructure Development

Policy on the Ownership of Ships and Machineries - The Committee noted a significant transfer of \$55 Million have been made into Subhead 4002-4832-5300 (Capex-Ships) under the Head for National Transport Initiative Program. The Committee enquired whether the Ministry has a Policy on the ownership, registration and management of ships and machineries funded under this head. The Ministry informed that unlike shipping grants, there is no specific policy for plant and machineries and equipment purchased through the Ministry. The Committee is of the view that given the huge financial expenditure outlays under this head, and given that this will continue to be of significant interest in the immediate future. Therefore it is heard that the Ministry must develop a similar policy as in shipping grant to cover plant and machineries.

Recommendation 6

The Committee recommends that:

- i) The Ministry of Infrastructure Development establish a separate Policy for Plant and Machineries;
- ii) The Policy should address the ownership, management and registration of machineries.

Ministry of Environment, Climate Change, Disaster Management and Meteorology

Access to Climate Change Funding - The Committee was informed that the Ministry received certain international funds such as the Global Environment Funds (GEF) and other funds through EU. These funds are intended for sea rise and related environmental and climate change impacts. However, also noted that despite the vast amounts of financial resources available through various international funding agencies and other bilateral sources, Solomon Islands has not really tapped into these sources. The Ministry informed that an ongoing challenge for the Ministry is its limited manpower. The Committee noted that to access all these various funds, let alone manage them, requires not only significant manpower resources, but also trained and skilled personnel. The Committee further noted

that capacity impediments remain an obstacle to securing necessary funding for important and urgent programs and projects in country towards climate change affected areas. The Ministry acknowledged that it needs to step up its work on manpower resourcing and capacity building to address the issue.

Recommendation 7

The Committee recommends that the Ministry of Environment, Climate Change, Disaster Management and Meteorology needs to step up actions on its manpower resourcing and capacity building to address this important need.

END OF REPORT

4.0 APPENDIX

Minutes of Proceedings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

P.O. Box G19,
Honiara.
Tel: 28520/23424.
Fax: 24272

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

Day 1 /2017

Friday 24th March 2017, CR II, Parliament House 01:33 pm

1. Members Present
Hon. Matthew Wale, Chairman (Acting)
Hon Jeremiah Manele, Member
Hon Connelly Sandakabatu, Member
Hon Nestor Giro, Member

Secretary: Mrs Joyce Mesepitu, Office of the Auditor General

Secretariat

Mr Marson Lilopeza, Director Committees
Mrs Jasmine Waleafea, Committee Secretary
Mr Gregory Fineanganofu, Committee Secretary
Mr Wilson Anii, Committee Secretary
Mr Whitmon Tabiru, Committee Secretary
Ms Hazel Fafale, Hansard Reporter
Mr Philemon Loe, Media Officer
Mr Lawrence Scott, Media Officer

2. Welcome and Opening Remarks

The Acting Chairman of the Public Accounts Committee Hon. Matthew Wale welcomes the Governor of the Central Bank of Solomon Islands together with his senior officials. He informs of the inquiry proceedings and invites the Governor to make his remarks.

3. Inquiry into the 2017 Supplementary Appropriation Bill 2017

The Hearing proper commenced and the following witnesses from the Central Bank of Solomon Islands were admitted:

Hearing 1 Witnesses

- i. Mr Denton Rarawa, Governor
- ii. Mr Michael Kikiolo, Chief Manager
- iii. Dr Luke Forau, Advisor

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

Hearing suspends at 2:17 pm

The Hearing proper resumed at 2:25 pm and the following witnesses from the Ministry of Police, National Security and Correctional Services were admitted:

Hearing 2 Witnesses

- i. Mr Marktus Forau, Permanent Secretary (Acting)
- ii. Mr Stephen Maesiol, Undersecretary
- iii. Ms Julia Twumasi, Financial Controller (Acting)
- iv. Mr Stephen Grubb, Participating Police Force Advisor Finance
- v. Ms Simpson Pogeaua, AC Cooperate Support
- vi. Ms Alice Saeni, Director Finance (RSIPF)
- vii. Mr Ian Bare, Chief of Staff (RSIPF)
- viii. Mr Donald Riropo, Director Finance (CSSI)
- ix. Mr Mathew Varley, Commissioner (RSIPF)

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

4. Adjournment:

The committee adjourned hearing at 2:59 pm

5. Documents Tabled

Day 2 /2017

Sunday 26th March 2017, CR II, Parliament House 2:24 pm

1. Members Present

Hon. Matthew Wale, Chairman (Acting)
 Hon. Connelly Sandakabatu, Member
 Hon. Nestor Giro, Member
 Hon. Jeremiah Manele, Member

Secretary: Ms Wendy Ngodoro, Office of the Auditor General

Secretariat

Mr Marson Lilopeza, Director Committees
 Mr Wilson Orisi, Committee Secretary
 Ms Ivory Iruha'a, Committee Secretary
 Mr Ignatius Talifilu, Hansard Reporter
 Mr Philemon Loe, Media Officer

2. Welcome and Opening Remarks

The Acting Chairman of the Public Accounts Committee Hon. Matthew Wale welcomes all to the Second Day of Hearings and informs the witnesses of the Parliamentary privileges and invites the Ministry's representative to make his remarks.

3. Inquiry into the 2017 Appropriation Bill 2017

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

Hearing 3 Witnesses

- i. Mr Norman Hiropuhi, Undersecretary Finance
- ii. Mr Coswal Nelson, Director Budget

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented. The Committee then suspended the session and requested the team to make a reappearance the next day. The examination concluded.

Hearing suspends at 2:40 pm

The Hearing proper resumed at 2:47 pm and the following witnesses from the Ministry of Environment, Climate Change, Disaster Management and Meteorology were admitted:

Hearing 4 Witnesses

- i. Dr Melchior Mataka, Permanent Secretary
- ii. Mr. Hudson Kauhiona
- iii. Mr. Joseph Airahui

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented. The examination concluded.

Hearing suspends at 3:45 pm

The Hearing proper resumed at 3:47 pm and the following witnesses from the Ministry of Infrastructure Development were admitted:

Hearing 5 Witnesses

- i. Mr. Henry Murray, Permanent Secretary
- ii. Mr. Dismus Orihao, Financial Controller

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented. The examination concluded.

4. Adjournment:

The committee adjourned hearing at 3:58 pm

5. Documents Tabled

Day 3 /2017

Monday 27th March 2017, CR II, Parliament House 10:02 am

1. Members Present

Hon. Rick Houenipwela, Chairman
Hon Jeremiah Manele, Member
Hon Connelly Sandakabatu, Member
Hon Mathew Wale, Member
Hon. Nestor Giro, Member

Secretary: Mrs Joyce Mesepitu, Office of the Auditor General

Secretariat

Mr Marson Lilopeza, Director Committees
Ms Ivory Iruha'a, Committee Secretary
Ms Theresa Nori, Hansard Reporter
Mr Philemon Loe, Media Officer

2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Rick Houenipwela welcomes all to the Third Day of Hearings and informs the witnesses of the Parliamentary privileges and invites the Permanent Secretary to make his remarks.

3. Inquiry into the 2017 Appropriation Bill 2017

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

Hearing 6 Witnesses

- i. Mr Harry Kuma, Permanent Secretary
- ii. Mr Norman Hiropuhi, Undersecretary Finance
- iii. Mr Coswal Nelson, Director Budget (Acting)
- iv. Dainkin Dentana, Undersecretary Economics

4. Adjournment:

The committee adjourned hearing at 11: 37 am

5. Documents Tabled

- a. Climate Change Financing in the Solomon Islands (MECDM)

List of Submissions

No	Author
1.	MECDM – Climate Change Financing in the Solomon Islands
2.	MoFT – 2017 Budget Revenue and expenditure Briefing
3.	MoFT – Cash Reserves Balances for month of January and February 2017.





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