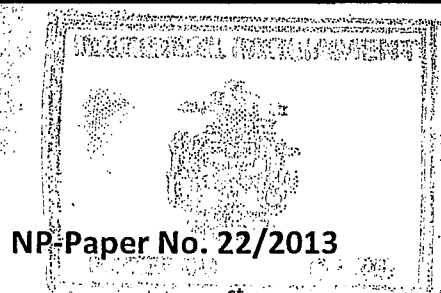




**NATIONAL PARLIAMENT OF SOLOMON ISLANDS
PUBLIC ACCOUNTS COMMITTEE**

**Report on the 2013
Supplementary Appropriation
Bill 2013**



NP-Paper No. 22/2013

Presented on 1st October 2013

National Parliament Office

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Table of Contents

Committee Members.....	i
Committee Secretariat.....	i
Committee Functions and Terms of Reference	iv
Functions of the Committee	iv
Terms of References.....	iv
Chair’s Foreword	v
Executive Summary	vi
Acronyms	ix
Chapter 1 Introduction.....	1
1.1 About the Inquiry.....	1
1.2 The establishment of the Committee.....	1
1.3 Role of the Committee.....	1
1.4 The Conduct of the Inquiry	1
1.4.1 Submissions	1
1.4.2 Hearings.....	2
1.4.3 Transcripts.....	2
1.5 Overview of the Report	2
Chapter 2 Background	3
Objective	3
Chapter 3 Summary Report on Issues	4
3.1 Contingency Warrants	4
3.1.1 Contingency Warrants	4
3.1.2 Achievement of 36% of Development Budget.....	5
3.1.3 Unprocedural Practices.....	6
3.1.4 Gross Mismanagement of the Budget	6
3.2 Advance Warrant	8
3.3 Variations in Appropriations.....	9
3.3.1 Approved Appropriation Cut without Consultation.....	10
3.4 Additional Recurrent Supplementary Expenditures.....	13
3.4.1 Ministry of Communication & Aviation	14
3.4.2 Budget Over-run on Scholarships.....	15
3.4.3 Lack of Specialist Doctors	15
Chapter 4 Recommendations	16

Appendices	18
Appendix 1 Submissions	18
Appendix 2 Witnesses	19
Appendix 3 Minutes of Public Hearings	21

Committee Functions and Terms of Reference

Functions of the Committee

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, to:

- (a) 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) 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.

Terms of References

Pursuant to its mandate under *Standing Orders 69*, the Terms of Reference of the Committee in this instance is to examine the Bill and to report its observations and recommendations on the Bill to Parliament.

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

Chair's Foreword

I am pleased to present this report of the Public Accounts Committee on the 2013 Supplementary Appropriation Bill 2013.

This Report is intended to brief the Members of Parliament on the 2013 Supplementary Appropriation Bill 2013 on the Committee findings for the purpose of properly informing Members of Parliament and raising matters that will assist them in their deliberations.

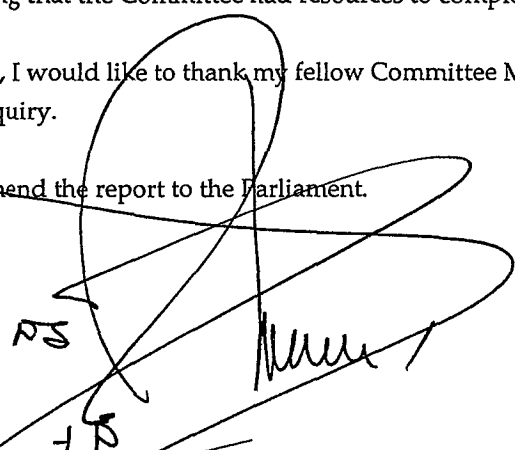
In undertaking this inquiry, the Committee raises concern with disappointment on the gross mismanagement and lack of forward planning by the Government in exhausting the 2013 appropriation budget prior to the end of the 2013 financial year. This is the very first time and the very first Government to expend such a very large budget of \$3.8 Billion within a period of one year.

On behalf of the Committee, I would like to thank all those who have involved in this inquiry. I thank the Permanent Secretaries (PS) and other officials of the Government Ministries that appeared before the Committee. I also thank the Officials from the Central Bank of Solomon Islands who present a brief outlook of the country's economy and on Government's budget for 2013.

I wish to acknowledge the tireless of the Committee Secretariat and Hansard staff for supporting the inquiry. I also thank the Clerk and the staff of Parliament who have devoted their time and effort in ensuring that the Committee had resources to complete this inquiry.

Finally, I would like to thank my fellow Committee Members for their commitment and participation in this inquiry.

I commend the report to the Parliament.



Hon Douglass Ete, MP
Chairman
MP for East Honiara Constituency

Executive Summary

Essentially a supplementary appropriations estimate is necessary to inform Parliament on spending done on Contingency Warrants and Advance Warrants Appropriated in 2012 Appropriation Bill 2013. Furthermore, a supplementary appropriation is required for line ministries to request for further budget they need to get approval from Parliament for spending in the remaining half of the year. The 2013 Supplementary Appropriation Bill 2013 (Bill) was submitted to Parliament on 19th September 2013. Following that, the Public Accounts Committee (PAC) conducted its hearings into this Bill from 23rd to 27th September 2013 where 23 line Ministries including the Central Bank of Solomon Islands (CBSI) appeared before the Committee.

The Bill seeks to authorise the legal authorization on supplementary expenditure of \$242,954,113, of which \$18,332,535 is issued under Contingency Warrants, \$26,707,078 issued under Advance Warrant and \$143,226,771 to supplement Recurrent and \$33,400,000 to Development Expenditures.

The Committee in its findings noted that:

- the variations in appropriation reflected in the 2013 Supplementary Appropriation Bill 2013 indicated the government's ill decisions and shifting of focus from its government policy by cutting back budget appropriated to government line ministries and using it to other activities.
- the cutting back on the development budget appropriated for development projects under the line ministries has affected the programs undertaken by the line Ministries and other contractual obligations pending to be paid by the government. The Committee raises concern on the interlocutory obligations on contracts that the government is privy to pay.
- the Government has failed to drive towards its government policy, but drive towards pressures as it comes. The Committee noted that one of the examples of this pressure is the issue of SINU.
- With regard to this 2013 Supplementary Appropriation Bill 2013, it is evident that the consultation between the ministries and Ministry of Finance and Treasury has not been robust.

Summary of Recommendations

Recommendation 1:

The Committee recommends that MDPAC set up robust mechanisms in the **Monitoring and Evaluation unit** to monitor the progress of development projects in line ministries and to ensure that projects are implemented as planned.

Recommendation 2:

Following recommendation 1 above, the Committee further recommends that the annual budget cycle starts in July so that project work plans are received by MDPA and approved well in time for project implementation by January of the new fiscal year.

Recommendation 3:

That the Monitoring and Evaluation Unit of MDPAC increases its capacity with each officer assigned to monitor the implementation of certain projects throughout the financial year.

Recommendation 4:

Budget cuts and variations in Appropriations have serious implications on government programs and services. The Committee encourages the Ministry of Finance to exercise measures that give predictability to line ministries so as to avoid budget problems into the first quarter of a given year. One reason making this is to accommodate original bids from line ministries for the following year.

Recommendation 5:

The Committee recommends that the Ministry of Finance engage in budget consultations with line ministries before making changes to their development budget subheads. The committee noted from the inquiry that most ministries were not consulted on their important developmental budget heads before cuts were made.

Recommendation 6:

The Committee recommends that the government should have planning and budgeting processes that accommodate areas of its major policies to avoid over-run of the budget.

Recommendation 7:

The increase in levels of public scholarships is unsustainable. The Committee recommends that the Ministry of Education and Human Resources Development in collaboration with SINU;

- i. explore opportunities for the participation of the private Sector in provision of scholarships.
- ii. explore Students loan schemes
- iii. explore Students cost sharing schemes

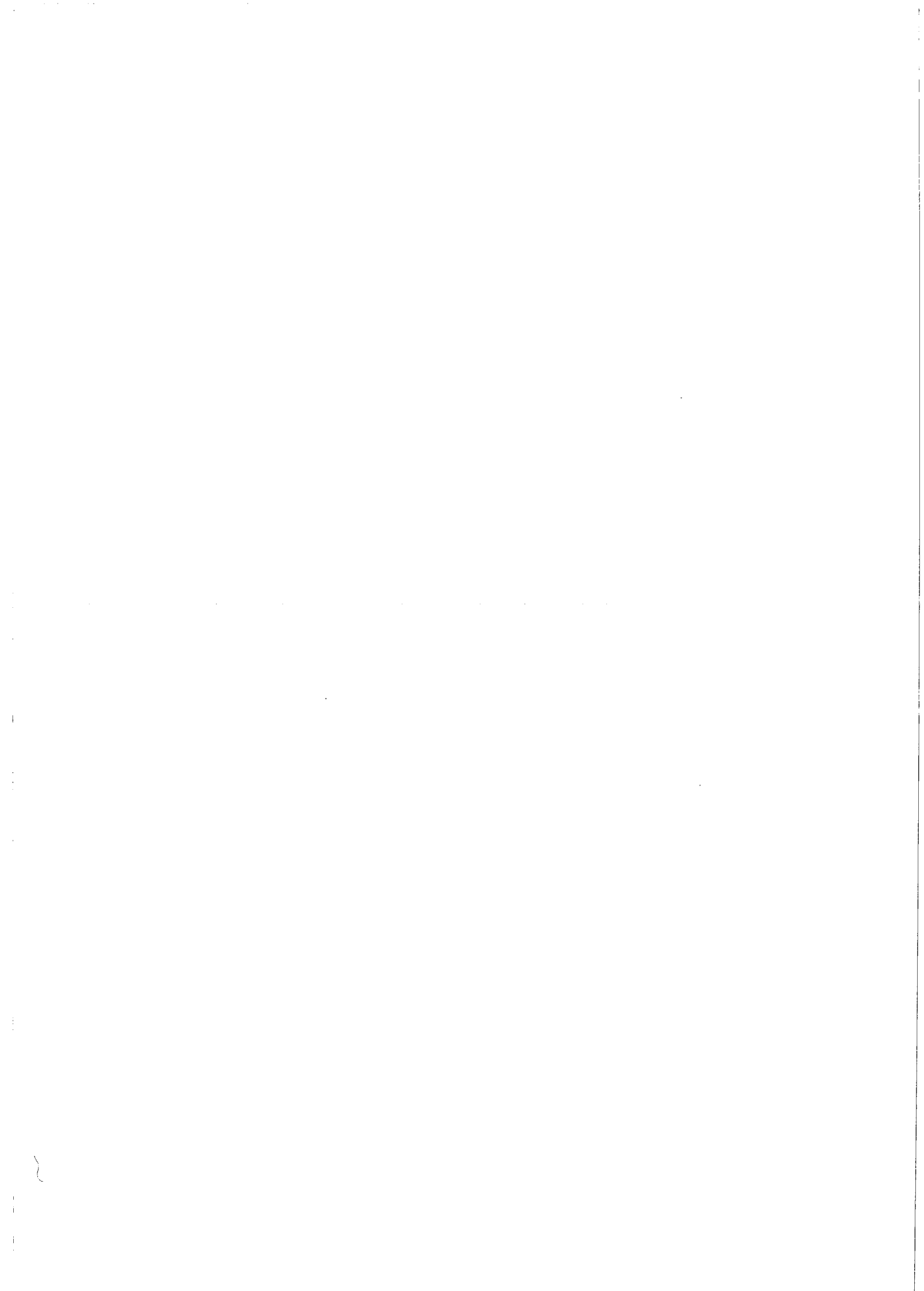
Recommendation 8

The committee is concerned about the robustness and transparency of tender and procurement systems across all government ministries, especially with the Ministry of Finance and Treasury is to be vigilant

against inflated and fraudulent contracting, and therefore recommends that the Parliamentary Expenditure Committee (PEC) take on its mandated role to monitor how Public fund is expended.

Acronyms

ADB	Asian Development Bank
AW	Advance Warrants
CBSI	Central Bank of Solomon Islands
CRU	Constitutional Reform Unit
CW	Contingency Warrants
MCA	Ministry of Communications & Aviation
MCILI	Ministry of Commerce, Industries, Labour & Immigration
MDPAC	Ministry of Development Planning & Aid Coordination
MECDM	Ministry of Environment, Climate Change, Disaster Management & Meteorology
MEHRD	Ministry of Education & Human Resources Development
MFMR	Ministry of Fisheries & Marine Resources
MHA	Ministry of Home Affairs
MHMS	Ministry of Health & Medical Services
MID	Ministry of Infrastructure Development
MJLA	Ministry of Justice & Legal Affairs
MLHS	Ministry of Lands, Housing & Survey
MMERE	Ministry of Mines, Energy & Rural Electrification
MoFT	Ministry of Finance & Treasury
MPNS&CS	Ministry of Police, National Security & Correctional Services
MPS	Ministry of Public Services
NPO	National Parliament Office
OPM	Office of the Prime Minister
OPM&C	Office of the Prime Minister & Cabinet
PS	Permanent Secretary
PAC	Public Accounts Committee
RAMSI	Regional Assistance Mission to Solomon Islands
SI	Solomon Islands
SIG	Solomon Islands Government
SO	Standing Orders of the National Parliament of Solomon Islands
SINU	Solomon Islands National University
TOR	Terms of Reference



Chapter 1 Introduction

1.1 About the Inquiry

The Public Accounts Committee (“Committee”) has concluded its review and report on the 2013 Supplementary Appropriation Bill 2013 (“Bill”), introduced in the House by the Minister of Finance and Treasury. The Bill was submitted to the Speaker through the Clerk to Parliament as required under the *Standing Orders*². The Speaker examined the Bill,³ endorsed it and the Bill was duly deemed to have been presented to Parliament according to Standing Order 46.

The Bill is received by the Speaker of Parliament on Thursday 19th September. There is limited time frame given to the Committee to conduct its hearing. The Committee was unable to hear from all 24 Ministries and departments whose Heads appear in the Bill and thus, resolved to take evidence from only 21 Ministries and requested written submission from other three (3) ministries.

According to government business for the current (4th) meeting of Parliament, the first reading of the Bill occurred on Monday, 30 September 2013 and the second reading of the Bill was done on Tuesday, 1 October 2013.

1.2 The establishment of the Committee

The Public Accounts Committee (Committee) is established by the Parliament under Standing Order 69 of the National Parliament of Solomon Islands.

1.3 Role of the Committee

As one of its functions in its Terms of Reference (TOR) in page iv above, the Committee is established to examine the 2013 Supplementary Appropriation Bill 2013 (Bill) and to report its observations and recommendations on the Bill to Parliament.

1.4 The Conduct of the Inquiry

1.4.1 Submissions

Due to very short notice and given for the Committee to inquire into the Bill, there was no call for submissions made through local media outlets. However, different Government Ministries were directly informed through correspondences and phone calls.

² *Standing Order 44* (1).

³ As required by *Standing Order 45* (1).

In total, the Committee received three (3) written submissions from the Ministry of Forests, Ministry of Communication & Aviation (MCA) and the Central Bank of Solomon Islands (CBSI). Despite constant reminders from the Committee through telephone calls and emails for submissions from the Ministry of Rural Development (MRD), the Committee received no submission from the Ministry of Rural Development. (Lists of submissions can be found in Appendix 1).

1.4.2 Hearings

The Committee considered the Bill and heard evidence from relevant government ministries on Monday 23rd, Tuesday 24th, Wednesday 25th, Thursday 26th and Friday 27th, September 2012. Following its review, the Committee submits this Report to Parliament, with recommendations, for the information of Members and for Parliament's consideration.

The Committee heard evidence from 59 witnesses representing 21 Ministries which had obtained funding under Contingency and Advance Warrants and further additional funding and from CBSI. (A full list of witnesses who appeared before the Committee can be found in Appendix 2).

1.4.3 Transcripts

Transcripts of the Committee proceedings (contained in Hansard) will be available at the Parliament Hansard Department upon request or on the Parliamentary website at www.parliament.gov.sb at an appropriate time as soon as practicable.

1.5 Overview of the Report

This report has been organised into four (4) Chapters. Chapter 2 provides background information on the financial regulations governing the Supplementary Appropriation processes.

Chapter 3 looks at Issues gathered from witnesses through the hearings conducted.

Chapter 4 provides recommendations proposed by the Committee.

Chapter 2 Background

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

The process is further detailed under section 15 (Contingency Warrants) of the Public Finance and Audit Act [Cap. 120], (FI) 182 to 186 of the Financial Instructions Rules and section 102 (3) of the Constitution. Intrinsicly, this is designed to be a transparent process to ensure that public resources are safeguarded in the interest of the people of Solomon Islands.

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

Objective

Aside from the parliamentary oversight responsibility that is often exercised by the Committee, the object of this Report is to inform the Members of Parliament on significant issues pertaining to the Bill, which were examined by the Committee.

The Committee undertakes its reviews and examinations on the Bill within the parameters of the laws underpinning government finances. Furthermore, the Committee believes that its assessment must also be underpinned on sound economic strategies that are essential to achieving the common objective for which Parliament has allocated resources.

Chapter 3 Summary Report on Issues

The Committee commenced its Hearing into the Bill on Monday, 23rd September 2013 and concluded its Hearing on Friday, 27th September 2013.

The Bill seeks to authorise the legal authorization on supplementary expenditure of \$242,954,113, of which \$18,332,535 is issued under Contingency Warrants, \$26,707,078 issued under Advance Warrant and \$143,226,771 to supplement Recurrent and \$33,400,000 to Development Expenditures. The following is a summary of key findings and common themes discussed during the Committee Hearings. The issues raised below were also highlighted in preceding Supplementary Appropriations.

3.1 Contingency Warrants

The Contingency Warrant (CW) of \$18,332,535 has a recurrent amount of \$8,332,535 and \$10,000,000 expended by two Ministries. These amounts were funded but not appropriated. The funds are new and therefore needed to be appropriated by Parliament, hence the 2013 Supplementary Appropriation Bill 2013.

The Committee had repeatedly cautioned the Government in past PAC reports about the use of CW. It is disheartening to note that a state mechanism such as the Executive government through the Office of the Prime Minister can operate above the limits of the constitution.

The Committee noted that \$18,332,535 million were issued to two Ministries and is outlined below;

	Ministry	Recurrent	Development
1.	Office of the Prime Minister and Cabinet	\$8,332,535	
2.	Ministry of Environment, Climate Change, Disaster Management and Meteorology	\$10,000,000	
	Total Recurrent Expenditure by Contingency Warrants	18,332,535	

During the PAC Hearing a number of grave concerns especially in the budgetary system was unveiled that required explanation by especially the Ministry of Finance and Treasury (MOFT).

3.1.1 Contingency Warrants

Costs of two events, the Fiji Prime Minister's attendance of the 35th Solomon Islands (SI) Independence celebrations of \$2,800,084 and RAMSI's 10th Anniversary Celebrations of \$5,532,451

were provided for under the Contingency Warrants. The strict wordings of the application of the Contingency Warrants under the Constitution limit application of Contingency Warrants to cases of 'urgent and unforeseen' circumstances only.

It is a gross disregard to the provision of the Constitution to apply CW for cases of not 'urgent and unforeseen' in nature. The Celebrations of the SI Independence day is an annual event. It therefore cannot be considered as 'urgent and unforeseen'.

Similarly the 10 Anniversary of the RAMSI would be seen as an annual event that could not fall properly within the constitutional provision of an 'urgent and unforeseen' circumstance. The Office of the Prime Minister & Cabinet (OPM&C) even had a PS responsible for RAMSI Affairs and the committee wondered why costs of this celebration were not even thought of by the office. The Committee feels that it is a matter of great concern to apply the provisions of the constitution or any legal instrument strictly for the sound operations of the machinery of government.

3.1.2 Achievement of 36% of Development Budget

PAC learned with great concern the retardation in the implementation of planned development projects. It was revealed by the Ministry of Development Planning and Aid Coordination (MDPAC) that to date 36% of planned development projects for 2013 have been implemented.⁴

The Committee noted that this is the lowest rate for any given fiscal year which has just only 2 months before the end of the financial year. Many instances in the past, line ministries blamed the MDPAC for delaying processes in the implementation of their Projects. The Committee is content to hear that MDPAC and the MoFT are engaging in reforms to make the implementation processes simpler for line ministries. The propose that changes are made in the timeframe of the budget cycle to cater for timely implementation of the development budget.

However, the Committee heard that there are only 3 personnel in the Monitoring and Evaluation Unit in MDPAC and increased capacity is needed in that unit in order to effectively coordinate between line Ministries and MoFT.

⁴ Jerry Manele, PS – MDPAC, Evidence, *Hansard Audio Recording*, 24th September, 2013.

3.1.3 Unprocedural Practices

PAC learned from the Prime Minister's Office that hiring of boats for the Prime Minister during his internal visits and tours to various places in the country was not conducted according to the approved financial regulations and procedures.⁵ It is worrying to note such a Premium Institution in the government acting in breach of the Financial Instructions and other financial regulations setting very bad examples for others to emulate.

When the same shipping agent boat is used and proper competition for the boats' assessment and hire was lacking, there is room for doubts of employment and involvement of proper practices in the process.

3.1.4 Gross Mismanagement of the Budget

The Committee is concerned that funds that were lawfully appropriated for by Parliament are mismanaged or misappropriated through ill-conceived decisions made by the Executive. The PS of the Ministry of Finance and Treasury (MoFT) informed the Committee that the ministry is trying to manage cash flow as a result of,

"... pressures from commitments that are being made by the government.... we are kind of using available funds to be able to afford or release."⁶

The 2013 Supplementary Appropriation Bill 2013 is the biggest supplementary budget ever, brought to Parliament. The sizeable total sum of \$242,954,113 in the bill reflects the enormity of bad planning by the government.

Overall, the government in a small pace of time has lost sight of its priorities on; improved conditions and salary of teachers, Tertiary students both overseas and at the Solomon Islands National University (SINU) and Medical Services. The priority of this country and that of the ruling government has somehow disconnected in the way the budget is managed. The government defiantly squander people's money amidst the adversity they faced in the education and Health sector.

Change of Government Policy

SINU

The Committee noted that of the total supplementary appropriation, newly established Solomon Islands National University (SINU) received 46.48% of it of \$115,783,918. This is 195.65% higher

⁵ Mr Jeffrey Wickham, SPM – OPM, Evidence, *Hansard Audio Recording*, 24th September, 2013.

⁶ Mr Shadrack Fanega, PS – MoFT, Evidence, *Hansard Audio Recording*, 23rd September, 2013.

than the total variation in 2013 approved appropriation of \$39,163,000 adversely effecting well planned and approved projects and programs of 16 Ministries.

The PAC considered such a change in policy in reducing approved appropriations that denies Ministries to carry out their planned activities, programs, projects is not a sound management practice. Apparent short remedial measure such as fixing the unplanned change in policy of the establishment of SINU weakens the sound practices of developing long term strategic plans by Ministries.

From this short term fixing exercise of cutting approved appropriation to increasing the supplementary appropriation to SINU it appears convincingly strong that the decision to establish SINU was not properly assessed to determine the costs involved initially.

While the Committee supports the governments' commitment to Education as worthy policy goals it also believes that the budget to support that commitment should be planned properly especially in the Ministry of Education where data for forward planning and budgeting purposes is readily available from previous records.

Outstanding Tuition fees at Regional Institutions

The Financial Controller of the Ministry of Education confirmed to the Committee that the tuition fees for the second semester for SIG sponsored students in regional universities is still pending payment. As this report is tabled, Fiji National University has only 2 weeks of lectures left and it seems like students have been attending classes illegally and do not know their fate in the next few weeks.

At home, the committee is informed that the government is still budgeting to pay for arrears as far back as 2008 to SICHE. The subhead *000-04901-5600* was initially budgeted to cover government bills incurred from SICHE in the last 5 years. It has now been fully shifted to support priority areas in tertiary education and electricity bills for KG VI. The committee urges the government to make decisions properly and make provisions in the 2014 budget to clear the arrears.

3.2 Advance Warrant

The Committee notes that for the record this is the third time an Advance Warrant (AW) had been issued under *section 13* of the Public Finance and Audit Act.⁷

In evidence, the Committee noted that in keeping with Section 13 of the PFA Act, the Minister of Finance may authorise advances from recoverable monies provided that such advances are paid to the Consolidated Fund within 12 months of the end of the financial year, which in this case is 31 December 2014 and where the amount required exceeds that available under an existing appropriation. Under the 2013 Appropriation Act 2012, up to \$150 Million limit is set by Parliament. Under Section 13, the total advance is \$26,707,078 was advanced by six ministries and these have been received as outlined;

HEAD		EXPENDITURE AUTHORISED
373	Ministry of Finance and Treasury	10,352,614
374	Ministry of Foreign Affairs & External Trade	2,313,993
383	Ministry of Police , National Security & Correctional Services	4,501,000
390	Ministry of fisheries and Marine Resources	5,478,528
392	Ministry of justice and Legal Affairs	2,118,321
393	Ministry of Home Affairs	1,942,622
	TOTAL ADVANCE WARRANTS	\$26,707,078

The Committee commends the government and the Ministries concern for their use of AW for Expenditures earmarked for funding by the donor partners. AW however, represents a threat to the budget and the Committee believes there should be some form of legislative control on the use of AW similar to the process for CW.

In evidence, Dr Christian Ramofafia, Permanent Secretary, Ministry of Fisheries and Marine Resources inform the Committee that the Advanced Warrant is to cover the budget for Mekem Strong Solomon Islands Fisheries Project (MSSIF).⁸ It is a support program for year but it was not included in the Ministry budget submission last year and the Ministry decided that it is important that it is put under the Supplementary so that it recognised as an Advanced Warrant from now under the Ministry's budget. The Budget support is funded by New Zealand Aid to support the Mekem Strong Solomon Islands Fisheries Project through the procurement system of the Ministry of Finance and the Solomon Islands Government.

⁸ Dr Christian Ramofafia, PS - MFMR, Evidence, *Hansard Audio Recording*, 24th September, 2013.

3.3 Variations in Appropriations

The Committee also noted that this is the first time where a “variation in appropriation” comes to Parliament through the Supplementary Appropriation Bill and commends the government for taking the right part in bringing this to Parliament. The PS of the Ministry of Finance claimed these are budget savings from the development budget of other line ministries.

“... we have been able to make savings mostly in the development estimates. This is something that we have not been able to do for a long, long time. So this is new for this particular Supplementary Appropriation. This is made up again of savings in the Development Budget where we have to cut or make reductions to provisions made in the Development Budget. This is a very difficult decision, but the savings that we have been able to make are based on the trends that we have been able to witness in terms of the implementation and execution of the projects.”⁹

The Committee understands that, technically these are not budget savings. These monies are not utilised by lack of implementation and delivery of services by the respective ministries. Some 16 Ministries were affected by the Variations in the budget.

Ministry	Estimate	Supplementary Estimate	Revised Estimate
293 Ministry of Home Affairs	78,645,059	-2,000,000	76,645,059
470 Ministry of Agriculture and Livestock development	56,600,000	-1,000,000	55,600,000
472 Ministry of Education and Human Resources Development	111,600,000	-10,000,000	109,600,000
473 Ministry of Finance and Treasury	96,541,300	-1,400,000	95,141,300
474 Ministry of Foreign Affairs and External Trade	1,000,000	-733,000	267,000
476 Ministry of Health and Medical Services	28,700,000	-2,000,000	26,700,000
477 Ministry of Infrastructure Development	118,800,000	-1,000,000	117,800,000
480 Ministry of Forestry and Research	30,900,000	-400,000	30,500,000
481 Office of the Prime Minister and Cabinet	3,500,000	-700,000	2,800,000
485 Ministry of Lands, Housing and Survey	10,500,000	-2,000,000	8,500,000
488 Ministry of commerce Labour industry and Immigration	6,800,000	-3,800,000	3,000,000
489 Ministry of Communication and Aviation	47,200,000	-1,000,000	46,200,000
490 Ministry of Fisheries and Marine Resources	9,200,000	-5,950,000	3,250,000
493 Ministry of Home Affairs	2,500,000	-2,500,000	-
495 Ministry of Mines , Energy and Rural Electrification	27,630,000	-1,750,000	25,880,000

⁹ Mr. Shadrach Fanega, PS – MoFT, Evidence, *Hansard Audio Recording*, 23rd September, 2013.

499	Ministry of Environment, Climate Change Disaster management and Meteorology	10,7000,000	-2,930,000	7,770,000
TOTAL OFFSETTING SAVINGS			-39,161,000	

3.3.1 Approved Appropriation Cut without Consultation

Interestingly, the Committee noted that the variations in Appropriations do not affect the subheads for *overseas travel at all*. All other important development projects in those Ministries were cut. This leaves the question of where government priority is.

A number of Ministries expressed great disappointments in the cut of their approved budgeted provisions without consultation. They shared revealing examples of variation of appropriations without consultation as follows:

Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECCDMM)

PAC was told that the Central Tender Board had already tendered out the Concept Note and the designing of the plans for the construction of MECDM Office Building. They were shocked to see and learn from the 2013 Supplementary Bill that their originally approved \$2,930,000 for the construction of the MECDM Office Building had been cut without any consultation with them. The planned invitation of tenders for the construction of MECDM Office Building had to be called off.¹⁰

Ministry of Lands

Another similar case was revealed with the Ministry of Lands. A total of \$2,000,000 was reduced from three approved projects – MLHS Extension project - \$500,000; Lands Provincial Staff Housing Program - \$1,000,000; Honiara Building Assessment and Valuation - \$500,000.

The Honiara Building Assessment and Valuation project was in its initial stages of implementation. Concept Notes and the design of the building were completed; tenders were received and awarded.

Contracts were signed. With the knowledge of the unplanned removal of the entire \$500,000 approved appropriation for the project, the Ministry is faced with an embarrassing, unethical situation of how to find funds to honor their contractual obligations.

¹⁰ Joe Horokou, PS (Ag) – MECDM, Evidence, *Hansard Audio Recording*, 24th September, 2013.

Ministry of Home Affairs

Another shocking revelation was the cut of \$2,000,000 from the recurrent budget of the Ministry of Home Affairs for the registration of voters for the new voters' registration system for 2014 National Election. Permanent Secretary to Ministry of Home Affairs (MHA) learned of this information only from the copy of the 2013 Supplementary Appropriation Bill 2013.¹¹ The responsible Permanent Secretary called the Permanent Secretary MoFT to raise his concern. He received acknowledgement and acceptance of responsibility for the reducing of the recurrent registration voters approved appropriation without consultation. PS MoFT assured PS Home Affairs that they will remedy the situation. Such an assurance without proper earlier consultation to reduce the approved appropriation for the 2013 registration of voters for the new system is not an acceptable practice.

The action of MoFT in reducing approved budget for 2013 without consulting the responsible line Ministry calls into question the whole budgetary process. A disregard for the very important planned activity of the preparation of the new registration list for the 2014 National Election is a serious matter. Until the 2014 Appropriation Bill is passed in Parliament and a new appropriation is approved, no voters' registration activity will be undertaken in 2013 mounting great strain on the timing to run the nation-wide program of conducting the registration of voters for all the constituencies for the new system.

Ministry of Infrastructure Development

The Ministry of Infrastructure Development (MID) is affected in that funds for chemical testing of the Soil structure from the worksite for an Engineering complex is completely shifted from the Ministry. The building will become an infrastructure that will support long-term economic growth prospects of the country by the administration and implementation of infrastructure projects.

Sub head /item	Description	Original Estimate	Supplementary Estimate	Revised Estimate
0002-4913-5600	Engineering Complex	1,000,000	-1,000,000	-

Ministry of Health and Medical Services

The Ministry also raises concern over the effect and the impact in deducting funds appropriated for development projects or continues development project this will have on the Ministries.

¹¹ Fred Fakari, PS – MHA, Evidence, *Hansard Audio Recording*, 25th September, 2013.

In his evidence, Dr. Lester Rose, Permanent Secretary, Ministry of Health and Medical Services (MHMS) inform the Committee that due to the variation in appropriation policy of Government, the funds appropriated for the Ministry's development projects namely the SIMTRI Building, Refurbishment of National Medical Store (NMS) Warehouse, National Lab Development and Lambi Clinic Renovation were deducted by the Government and hence, the Ministry has decided to move these projects over to next year, considering the new medium term development budget that the government has put in place per proposed for 2014 to 2018.¹²

Ministry of Forestry and Research

Under the Ministry of Forestry and Research, in its original budget, \$400,000.00 was allocated for Carbon Plot re-Measurement. However, under this variation in appropriation program, the total budget allocated for Carbon Plot re-Measurement was deducted leaving the project uncompleted. The program was started in 2012 in both Malaita and Guadalcanal Province and it was the Ministry's intention to establish the similar program in Isabel Province and other Provinces in the Solomon Islands.

In his evidence, Kedson Ago, the Director of Forestation, Ministry of Forestry and Research expressed that,

"...Anything for the foregoing of the \$400,000 it will affect the program. That means for this year it looks like there is not much work to be done. The other part of that program we also do the MRV which is the monitoring, verification and reporting of carbon sampling. For further information this plot we will include the carbon surve...We try to work out and monitor how much carbon our forest have and we need to set a base line or reference level and would equip us for to take part in this big carbon trade where much talked about it."¹³

Office of the Prime Minister and Cabinet

The Office of the Prime Minister and Cabinet was allocated \$1,000,000.00 in the 2013 Appropriation Bill 2012 for land institutionalisation program. However, under this variation in appropriation \$700,000.00 was forgone by the Government to be used for other priorities. In evidence, Mr. Pellion Baure inform the Committee that this project comes from the development budget and the MDPAC is responsible for programs do not actually eventuate and they will deduct various amounts from every ministry.

Ministry of Fisheries and Marine Resources

The Ministry of Fisheries has a total of \$8,200,000 in its original estimates under its development project plans to be used for the Fish Aggregate Device Program, Rehabilitation of Fisheries Centre, Tuna Loin Factories Suava and Tenaru and Wantok Project (Doma). During the Committee

¹² Dr Lester Ross, PS – MHMS, Evidence, *Hansard Audio Recording*, 24th September, 2013.

¹³ Kedson Ago, Director - Ministry of Forestry, Evidence, *Hansard Audio Recording*, 24th September, 2013.

hearing, the Committee noted that the Government has shifted the focus to its priorities, this is evident in the huge funds appears in the Ministry's variation in appropriation of \$5,959,000.00.

The Committee raises concern that such huge cut on the budget will comprehensively cut in the Ministry's performance in their progress to undertaking these development projects.

In his evidence, Dr Christian Ramofafia, Permanent Secretary, Ministry of Fisheries and Marine Resources expressed that;

"I think to be honest here, I was a bit surprised as well when they take out that amount of money from us because that was not the amount that we agreed upon for them to take out from us. The amount that I asked them to take out from us was just \$2 million and small bits from every projects that we have but when I see it last week I was not happy because they take out almost 2/3 of the project allocations."¹⁴

Ministry of Mines, energy and Rural Electrification

The Ministry of Mines, energy and rural electrification was appropriated the original budget of \$2,000,000.00 specifically for Renewable Energy for Provincial & Industrial Centres and the Community Micro- Hydro Feasibility Studies program. With the government undertaking under the variation in appropriation program, \$1,750,000.00 was deducted from its original estimates.

In his evidence, Mr. Barnabas Anga, Permanent Secretary, Ministry of Mines and Energy and Rural electrification inform the Committee that; with the cut to the Renewable Energy for Provincial & Industrial Centres, the Ministry could only get equipments with what they have at the moment; the Ministry has to wait for next year to do installation. Mr. Anga in his further evidence to the Committee stressed that;

The second project that has been removed from our budget is the 'Renewable Energy for Provincial Centres' and that covers a lot of programs that we have with donors. Like we had one with the Asian Development Bank (ADB) where we are looking at the feasibility studies for Hydros at Lata, Auki, Huro in Kirakira, Ringi and Choiseul Bay; with that removal of the budget it is going to affect the program of ADB with us. And the second one is also a program we had with SPREP, and that is wind monitoring so the money would have assist us to doing installation of wind stations so that would delay the program for another year again. Those are the effects the Ministry of Mines and Energy.¹⁵

3.4 Additional Recurrent Supplementary Expenditures

The additional Supplementary Expenditure of comprises of a recurrent of \$143,226,771 million, a budget support of \$21,247, 729 million and development budget of \$ \$33,400,000 million.

¹⁴ Dr Christian Ramofafia, PS - MFMR, Evidence, *Hansard Audio Recording*, 24th September, 2013.

¹⁵ Mr. Banabas Anga, Permanent Secretary, Ministry of Mines, Energy and Rural Electrification, Evidence, date

Fourteen (14) Ministries seek money under recurrent expenditures:

HEAD		HEAD EXPENDITURE AUTHORISED
270	Ministry of Agriculture and Livestock Development	390,000
271	Office of the Auditor General	710,000
272	Ministry Of Education and Human Resources Development	115,783,918
274	Ministry Of foreign Affairs and External Trade	1,984,016
276	Ministry Of health and Medical services	1,890,000
277	Ministry of infrastructure Development	2,700,000
279	National Parliament of Solomon Islands	9,414,185
281	Office of the Prime Minister and cabinet	1,802,626
283	Ministry of Police , National Security and correctional Services	2,500,000
286	Ministry of Development Planning and Aid co-ordination	362,000
294	Ministry of National Unity Reconciliation and Peace	1,837,326
295	Ministry of Mines, Energy and Rural Electrification.	341,000
296	National Judiciary	2,801,700
298	Ministry of Rural Development	750,000
TOTAL SUPPLEMENTARY RECURRENT EXPENDITURE		\$143,226,771

Two (2) ministries seek money under Budget support:

HEAD		EXPENDITURE AUTHORISED
372	Ministry of Education and Human Resources Development	20,840,102
376	Ministry of Health and Medical Services	407,627
TOTAL RECURRENT SUPPLEMENTARY EXPENDITURE (BUDGET SUPPORT)		\$21,247,729

Two (2) Ministries seek money under development budget:

HEAD		EXPENDITURE AUTHORISED
489	Ministry of Communication and Aviation	27,400,000
491	Ministry of Public Service	6,000,000
TOTAL DEVELOPMENT SUPPLEMENTARY EXPENDITURE		\$33,400,000

3.4.1 Ministry of Communication & Aviation

In his submission to the Committee, the PS of the Ministry of Communication & Aviation (MCA) provided the explanatory notes on subhead 0003-4731-5250: \$27, 400, 000 which is an additional

Development Supplementary Expenditure in the Bill.¹⁶ The money is to cater for upgrading of Munda airport so that it can comfortably accommodate international flights.

3.4.2 Budget Over-run on Scholarships

The bulk of the money, \$115,785,918 in the 2013 supplementary budget will go towards the Ministry of Education to meet tertiary scholarships. It has become normal for the MEHRD to submit bids for extra funds for scholarships in Supplementary Bills.

Scholarship costs are not unforeseen issues in the budget process because every year there is data available to plan for the following year. The Under Secretary of the MEHRD was questioned whether the ministry has plans to avoid this case on scholarships funding recurring every year in the Supplementary Bill. His responded,

*"... the actual that we requested was not granted to us. And we have already submitted a budget for next year based on the actual that we have incurred this year. We just hope that it goes through so that we don't have to come with all these supplementary request again."*¹⁷

Below is a summary the Ministry's budget in the bill.

2013 Supplementary Appropriation Bill 2013	Head 272	Additional Recurrent Supplementary Expenditures	\$115,783,918
	Head 372	Budget Support	\$20,840,102
	Head 472 Subhead/item 0001-4901-5600	Variations in appropriations	\$10,000,000
Total			\$146,624,020

3.4.3 Lack of Specialist Doctors

PAC learned with great concern the drain out of local specialist doctors. Many have left to greener pastures in the regional countries. The country lacks specialist doctors to take up positions other urban centers like Kilu'ufi on Malaita and Gizo in the Western Province. With the expected increase in qualified doctors graduating and returning from Cuba in 2014, the country lacks specialist doctors to supervise the new graduate doctors.

¹⁶ Submission #2, MCA, Evidence, 27th September, 2013.

¹⁷ *Ibid.*

Chapter 4 Recommendations

The Committee acknowledge the views expressed by witnesses that appeared before the Committee. Upon completion of the hearing into the 2013 Supplementary Appropriation Bill 2013, the Committee made the following recommendations.

Recommendation 1:

The Committee recommends that MDPAC set up robust mechanisms in the **Monitoring and Evaluation unit** to monitor the progress of development projects in line ministries and to ensure that projects are implemented as planned.

Recommendation 2:

Following recommendation 1 above, the Committee further recommends that the annual budget cycle starts in July so that project work plans are received by MDPAC and approved well in time for project implementation by January of the new fiscal year.

Recommendation 3:

That the Monitoring and Evaluation Unit of MDPAC increases its capacity with each officer assigned to monitor the implementation of certain projects throughout the financial year.

Recommendation 4:

Budget cuts and variations in Appropriations have serious implications on government programs and services. The Committee encourages the Ministry of Finance to exercise measures that give predictability to line ministries so as to avoid budget problems into the 1st quarter of a given year. One reason making this is to accommodate original bids from line ministries for the following year.

Recommendation 5:

The Committee recommends that the Ministry of Finance engage in Budget consultations with line Ministries before making changes to their development budget subheads. The committee noted from the inquiry that most ministries were not consulted on their important developmental budget heads before cuts were made.

Recommendation 6:

The Committee recommends that the government should have planning and budgeting processes that accommodate areas of its major policies.

Recommendation 7:

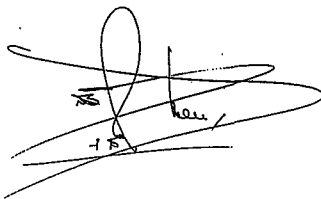
The Committee recommends that the Ministry of Education and Human Resources Development in collaboration with SINU;

- i. explore opportunities for the participation of the private Sector in provision of scholarships.
- ii. explore Students in- loan schemes
- iii. explore Students in cost sharing schemes

The increase in levels of public scholarships is unsustainable.

Recommendation 8

The committee is concerned about the robustness and transparency of tender and procurement systems across all government ministries, all ministries, especially with Ministry of Finance and Treasury is to be vigilant against inflated and fraudulent contracting, and therefore recommends that the Parliamentary Expenditure Committee (PEC) take on its mandated role to monitor how Public fund is expended.



Hon. Douglas Ete

Chairman

Public Accounts Committee

1st October, 2013

Appendices

Appendix 1 Submissions

No	Author
1	Central Bank of Solomon Islands
2	Ministry of Communication & Aviation
3	Ministry of Agriculture & Livestock

Appendix 2 Witnesses

Date	Name	Position and Organisation
Monday 23 rd September 2013	Shadrack Fanega	Permanent Secretary (MoFT)
Tuesday 24 th September 2013	Mr Jeremiah Manele	Permanent Secretary (MDPAC)
	Mr Allan Daonga	Under-Secretary (MDPAC)
	Mr Charles Fono	Officer (MDPAC)
	Mr Jeffrey Wickham	Secretary to Prime Minister (OPM&C)
	Mr Jeffrey Kauha	Permanent Secretary (RAMSI/OPM&C)
	Mr Ronald Unusi	Permanent Secretary (CRU/OPM&C)
	Mr Pellion Baure	Financial Controller (OPM&C)
	Dr Lester Ross	Permanent Secretary (MHMS)
	David Hiriasia	Director – Meteorology (MECDM)
	Joe Horokou	Permanent Secretary (Ag) (MECDM)
Wednesday 25 th September 2013	Clezy Rore	Permanent Secretary (Ag) (MEHRD)
	Selu Maezama	Director – NTU (MEHRD)
	Andrew Tahisihaka	Financial Controller (MEHRD)
	Mr Moses Virivolomo	Permanent Secretary (MID)
	Mr Jimmy Nuake	Under Secretary (MID)
	Mr Harry Rini	Director Civil Engineering (MID)
	Mr Patterson Fakauai	Director/Architecture (MID)
	Ms Modesta Namokari	Financial Controller (MID)
	Mr Brian Aunima	Manager Marine Operation - SIMSA (MID)
	Mr Mark Kamoia	Human Resources Manager (MID)
	Mr Henry Murray	Director – Mechanical (MID)
	Stanley Wale	Permanent Secretary (MLHS)
	Selesa Alepio	Financial Controller (MLHS)
	Fred Fakari	Permanent Secretary (MHA)
	Heinz Veikesa	Permanent Secretary (MCILI)
	James Apato	Under Secretary (MCILI)
	Derek Aihari	Director Foreign Investors (MCILI)
	Gwen Koke	Financial Controller (MCILI)
	Joseph Heroau	Director Business (MCILI)
	Timothy Watekari	Director (MCILI)
Morris Rapa'ai	Director (MCILI)	
Thursday 26 th September 2013	Mr Banabas Anga	Permanent Secretary (Ministry of Forests & Research)
	Mr Gordon Konairamo	Under Secretary (Ministry of Forests & Research)
	Dr Christian Ramofafia	Permanent Secretary (MFMR)
	Mr James Terry	Director (MFMR)
	Mr Edmondm Sikua	Permanent Secretary (MPNS&CS)
	Mr Stephen Maesiola	Under Secretary (MPNS&CS)
	Mr Paul Maefiti	Director/HR (MPNS&CS)
	Ms Leah Alufo'oa	Director – Finance (MPNS&CS)
	Mr Paul Kapakeni	Financial Controller (MPNS&CS)
	Steven Jude Oto	Chief Administration Officer (MPNS&CS)
Freddie Meesa	Permanent Secretary (MJLA)	

Date	Name	Position and Organisation
	Margaret Qoloni	Chief Finance Officer (MJLA-NJ)
	Maima Taeburi	Financial Controller (MJLA-NJ)
	Minnie Ora	Financial Controller (MJLA)
	Charles Koroni	CIO (MJLA)
	Taeasi Sanga	Clerk (NPO)
	Lloyd Bera	Financial Controller (NPO)
	Joy Kere	Permanent Secretary (MFA&ET)
	Barret Salato	Director- External Trade (MFA&ET)
Friday 27 th September 2013	Mr Barnabas Anga	Permanent Secretary (Supervising) (MMERE)
	Mr Gabriel Aimaea	Deputy Director Energy (MMERE)
	Mr Gregory Alalo	Financial Controller (MMERE)
	Mr Walter Hubert Rhein	Public Policy Adviser (MPS)
	Mr Dismus Orihao	Financial Controller (MPS)
	Ms Janet Prakash	Human Resources Manager (MPS)
	Mr. Lenis Rukale	Permanent Secretary (Ministry of National Reconciliation & Unity)
	Mr Edward Ronia	Auditor General (Office of the Auditor General)
	Michael Kikiolo	Chief Manager (Ag) – Economic Department (CBSI)
	Keithie Longeau	Government Finance & Statistics (CBSI)
	Donald Kiriau	Senior Analysts (CBSI)
	Elizabeth Ragimana	Manager – Economic Department (CBSI)

Appendix 3 Minutes of Public Hearings

Minutes of Proceedings

Hearing 1

Monday 23rd September 2013, CR II, Parliament House, 12:30 pm

1. **Members Present**

Hon. Mathew Wale, MP (Ag Chair)

Hon. John Maneniaru, MP

Hon. Andrew Manepora'a, MP

Hon. Vika Lusibaea, MP

Apologies – Hon. Douglas Ete, MP

- Hon Peter Shanel Agovaka, MP

Absent- Hon. Martin Kealoe, MP

Witness: Mr. Shadrach Fanega- Permanent Secretary (PS), Ministry of Finance.

Secretariat

Emily Kupenga

2. **Prayer.** Hon. Vika Lusibaea said the opening prayer.

3. **Remarks from PAC Chairman (Ag)** – The Chairman (Ag) of the committee, Hon. Wale thanks the PS of the Ministry of Finance & officials for their attendance to the hearing. The Chair reminded officials of their rights during the hearing under Parliamentary privileges and also the rights of the committee to inquire for information's from officials. The Chairman then invited the PS to give his presentation before the committee.

4. **Committee Hearing into the 2013 Supplementary Appropriation Bill 2013.**

The PS of Finance made his presentation to the committee.

The Committee questioned the PS on relevant matters. Evidence concluded.

5. **Adjournment-** The committee adjourned hearing at 1:54 pm

Hearing 2

Tuesday 24th September 2013, CR II, Parliament House, 11:59 am

1. **Members Present**

Hon. Douglas Ete, MP (Chairman)

Hon. Mathew Wale, MP

Hon. Peter Shanel Agovaka, MP

Hon. John Maneniaru, MP

Hon. Andrew Manepora'a, MP

Apologies - Hon. Vika Lusibaea, MP

Absent- Hon. Martin Kealoe, MP

In- attendance – Mr. Edward Ronia- Auditor General – Secretary to PAC

Parliamentary Officials

Wilson Orisi- Committee Secretariat
Mr. Davidson Kukuti- Hansard
Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon- Media (TV)

Witnesses

Mr. Jeremiah Manele- Permanent Secretary (PS), Ministry of Development Planning & Aid Co-ordination (MDPAC)
Mr. Allan Daonga- Under secretary - MDPAC
Mr. Charles Fox Fono- FC- MDPAC

2. Prayer. The Auditor General said the opening prayer.

3. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of MDPAC & officials for their attendance to the hearing. The Chair reminded officials of their rights during the hearing under Parliamentary privileges. The Chairman then invited the PS to give his presentation before the committee.

4. Committee Hearing into the 2013 *Supplementary Appropriation Bill 2013.*

The PS and his officials introduced themselves. The PS of MDPAC made his presentation to the committee regarding the Supplementary provisions of his Ministry in the bill. The Committee questioned the PS and his officials on relevant matters. Evidence concluded.

5. Meeting suspended – Hearing ended and the committee suspends at 12:44 pm

Hearing 3

The committee resumes hearing at 2:24 pm

Parliamentary Officials

Wilson Orisi- Committee Secretariat
Mr. Davidson Kukuti- Hansard
Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon Media (TV)

Witnesses

Mr. Jeffery Wickham -Secretary to the Prime Minister – Office of the Prime Minister & Cabinet, OPMC
Mr. Jeffrey Kauha - Permanent Secretary, RAMSI
Mr. Ronald Unusi- Permanent Secretary, CR U
Mr. Pelion Baure -Financial Controller

1. Opening Brief from PAC Chairman – The Chairman thanks and welcomes the Secretary to the Prime Minister and officials from the Office of the Prime Minister to the hearing. The Chair reminded officials of their rights during the covered under Parliamentary privileges. The Chairman then invited the SPM to make his presentation before the committee.

2. Committee Hearing into the 2013 *Supplementary Appropriation Bill 2013.*

The Officials introduced themselves and the SPM mad his presentation to the committee. The Chairman then raised committee issues regarding the OPMC and asked the SPM to respond to the issues. The SPM responded to the issues. The committee further questioned the officials. Evidence Concluded.

3. Meeting suspended – Hearing ended and the committee suspends at 3:28 pm

Hearing 4

The committee resumes hearing at 3:41 pm

Parliamentary Officials

Wilson Orisi- Committee Secretariat

Mr. Whitmon Tabiru- Hansard

Mr. Sanjay Dhari ICT Dept

Mr. Mitu Amon- Media (TV)

Witness- Dr Lester Ross- PS, Ministry Of Health & Medical Service (MHMS)

1. Opening Brief from PAC Chairman – The Chairman thanks and welcomes the PS of MHMS to the hearing. The Chair reminded officials of their rights during the covered under Parliamentary privileges. The Chairman then invited the PS to make his presentation before the committee.

2. Committee Hearing into the 2013 *Supplementary Appropriation Bill 2013.*

The PS of Health made his presentation to the committee

The Committee questioned the PS.

Evidence Concluded.

3. Meeting suspended – Hearing ended and the committee suspends at 4:25 pm

Hearing 5

The committee resumes hearing at 4: 28 pm

Parliamentary Officials

Wilson Orisi- Committee Secretariat

Mr. Whitmon Tabiru -Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon - Media (TV)

Witnesses-Mr. Joe Horokomu- PS (Ag) MECDM&M

Mr. David Hiriasia - Director- Meteorology Dept

1. Opening Brief from PAC Chairman – The Chairman thanks and welcomes the PS of MECDM &M to the hearing. The Chairman then invited the PS to make his presentation before the committee.

2. Committee Hearing into the 2013 *Supplementary Appropriation Bill 2013.*

The PS of MECDM&M made his presentation to the committee

The Committee questioned the PS.

Evidence Concluded.

3. **Adjournment** – Hearing ended and the committee adjourns at 4:53 pm

Hearing 5

Wednesday 25th September 2013, CR II, Parliament House, 10:03 am

1. **Members Present**

Hon. Douglas Ete, MP (Chairman)
Hon. Mathew Wale, MP
Hon. Peter Shanel Agovaka, MP
Hon. John Maneniaru, MP
Hon. Andrew Manepora'a, MP

Apologies - Hon. Vika Lusibaea, MP

Absent- Hon. Martin Kealoe, MP

In- attendance – Mr. Edward Ronia- Auditor General – Secretary to PAC

Parliamentary Officials

Emily Kupenga - Committee Secretariat
Mr. Whitmon Tabiru- Hansard
Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon Media (TV)

Witnesses

Mr. Clezy Rore- under Secretary (US), Ministry of Education & Human resources Development (MEHRD)
Mr. Selu Maezama- Director NTU, MEHRD
Mr. Andrew Tahisihaka- FC, MEHRD

2. **Prayer.** The Auditor General said the opening prayer.

3 **Opening Brief from PAC Chairman** – The Chairman of the committee, Hon. Ete welcome the PS of MEHRD & his team for their attendance to the hearing. The Chairman reiterates the role of PAC to inquire into the bill, made his remarks on the **2013 Supplementary Appropriation Bill 2013** The Chair reminded officials of their rights during the hearing under Parliamentary privileges. The Chairman then invited the Under Secretary to give his presentation before the committee.

4. Committee hearing into the **2013 Supplementary Appropriation Bill 2013**.

The Under Secretary of the MEHRD made his presentation before the Committee and tabled the following document;

-Students Data

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

5. **Suspension** – The hearing ended and the Committee suspends at 10:55 am

Hearing 6

The Committee resumes hearing at 11:16am

Witnesses

Mr. Moses Virivolomon- PS -Ministry of Infrastructure Development (MID)

Mr. Harry Rini- Director- Civil Engineering, MID

Mr. Henry Murray-Director – Mechanical Engineering, MID

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of MID & his team for their attendance to the hearing. The Chair reminded officials of their rights during the hearing under Parliamentary privileges. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the MID made his presentation before the committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 1:06 pm

Hearing 7

The Committee resumes hearing at 3:08pm

Witnesses

Mr. Stanley Waleanisia- PS -Ministry of Lands, Housing & Survey (MLHS)

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of the MLHS & his official for their attendance to the hearing. The Chair acknowledges the role of the ministry in the development of this country and reminded officials of their rights during the hearing under Parliamentary privileges. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the Ministry of Lands made his presentation before the committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 3:46 pm

Hearing 8

The Committee resumes hearing at 3:48pm

Witnesses

Mr. Fred Fakari'i- PS –Ministry of Home Affairs (MHA)

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of the Ministry of Home Affairs for his attendance to the hearing. The Chair reminded official of his right during the hearing under Parliamentary privileges. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the Ministry of Home Affairs made his presentation before the committee.

The committee questioned the Official. The official gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 4:26 pm

Hearing 9

The Committee resumes hearing at 4:43pm

Witnesses

Mr. Heinz Vaekesa- PS –Ministry of Commerce, Industry, Labour & Immigration (MCILI)

Mr. James Apato- US

Mr. Moses Rapa'ai- Director

Mr. Derrick Aihari- Director – Foreign Investment

1. Opening brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcomes the PS of the MCILI and his officials for their attendance to the hearing. The Chair reminded the officials of their right during the hearing under Parliamentary privileges. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the Ministry Commerce made his presentation before the committee.

The committee questioned the Official. The official gave answers and made clarifications. Evidence concluded.

3. Adjournment – The hearing ended and the Committee adjourned hearing at 5:42 pm

Hearing 10

Thursday 26th September 2013, CR II, Parliament House, 10:22 am

1. Members Present

Hon. Douglas Ete, MP (Chairman)

Hon. Mathew Wale, MP

Hon. Peter Shanel Agovaka, MP

Hon. John Maneniaru, MP

Hon. Andrew Manepora'a, MP

Hon. Vika Lusibaea, MP

Absent- Hon. Martin Kealoe, MP

In- attendance – Mr. Edward Ronia- Auditor General – Secretary to PAC

Parliamentary Officials

Wilson Orisi - Committee Secretariat

Ms Arol Kimi - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon- Media (TV)

Witnesses

Mr. Barnabas Anga- Permanent Secretary, Ministry of Forestry & Research

Mr. Gordon Konairamo- US

Mr. Kedson Ago- Director Forestation

1. Prayer. Hon. John Maneniaru said the opening prayer.

2. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of the Ministry of Forestry & Research and his team for their attendance to the hearing. He made briefs on the Supplementary Bill and reminded the officials of Parliamentary privilege. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

3. Committee hearing into the *2013 Supplementary Appropriation Bill 2013.*

The Permanent Secretary of the Ministry of Forestry & Research made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

4. Suspension – The hearing ended and the Committee suspends at 11:02 am

Hearing 11

The hearing resumes at 11:06 am

Parliamentary Officials

Wilson Orisi - Committee Secretariat

Ms- Arol Kimi - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon-Media (TV)

Witnesses

Dr. Christian Ramofafia - Permanent Secretary, Ministry of Fisheries & Marine Resources

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of the Ministry of Fisheries & Marine Resources and his team to the hearing. He made briefs on the Supplementary Bill and how it affects the Ministry of Fisheries in terms of variated appropriations and reminded the officials of Parliamentary privilege. The Chairman then invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the *2013 Supplementary Appropriation Bill 2013.*

The Permanent Secretary of the Ministry of Fisheries & Marine Resources made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 12:04 pm

Hearing 12

The hearing resumes at 2:34 pm

Parliamentary Officials

Emily Kupenga- Committee Secretariat
Arol Kimi - Hansard
Mr. Sanjay Dhari- ICT Dept
Mr. Frank Harara - Media (TV)

Witnesses

Mr Edmond Sikua - Permanent Secretary, Ministry Of Police, National security & Correctional services, (MPNS&CSS)
Mr. Stephen Maesiola- Under Secretary
Mr. Paul Kapakeni-FC
Mr. Stephen Oto- CEO
Ms Leah Alufo'oa- Director HR Dept

Parliamentary Officials

Emily Kupenga- Committee Secretariat
Arol Kimi - Hansard
Mr. Mitu Amon- Media (TV)
Mr. Sanjay Dhari- ICT Dept

1. Opening Brief from PAC Chairman – The Chairman (Ag) of the committee, Hon. Shanel called the meeting to order and welcome the PS of the MPNS&CSS. He made briefs on the Supplementary Bill and thanks the ministry for attendance. The chair then reminded officials of the Parliamentary privileges and invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.
The Permanent Secretary of the MPNS& CSS made his presentation before the Committee. The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 3:00 pm

Hearing 13

The hearing resumes at 3:03 pm

Parliamentary Officials

Emily Kupenga- Committee Secretariat
Arol Kimi - Hansard
Mr. Mitu Amon- Media (TV)
Mr. Sanjay Dhari- ICT Dept

Witnesses

Mr Freddy Me'esa - Permanent Secretary, Ministry of Justice & Legal Services (MJLA)
Ms. Minnie Ora- FC, MJLS
Ms. Margaret Qoloni- CEO, National Judiciary
Ms. Maima Taeburi- FC, National Judiciary
Mr. William Wale- HRM

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete called the meeting to order and welcome the PS of the MJLS. He made briefs on the Supplementary Bill and thanks the ministry for attendance. The chair then reminded officials of the Parliamentary privileges and invited the Permanent Secretary to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the MPNS& CSS introduced his officials and made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 3:39 pm

Hearing 14

The hearing resumes at 3:41 pm

Parliamentary Officials

Emily Kupenga- Committee Secretariat

Arol Kimi - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon -Media (TV)

Witnesses

Ms Taeasi Sanga- Clerk to Parliament- National Parliament of Solomon Islands (NPSI)

Mr. Lloyd Bera- FC, NPSI

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete called the meeting to order and welcome the Clerk to Parliament and the official. The chair then reminded officials of the Parliamentary privileges. The Chairman reminded the officials of the tight schedule of the hearing and invited the Clerk to give her presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Clerk to Parliament made her remarks before the Committee.

The committee questioned the officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 4:02 pm

Hearing 15

The hearing resumes at 4:15 pm

Parliamentary Officials

Emily Kupenga- Committee Secretariat

Arol Kimi - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon -Media (TV)

Witnesses

Ms. Joy Kere- Permanent Secretary – Ministry of Foreign Affairs

Mr. Barret Salato- Director- External Trade

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete called the meeting to order and welcome the PS and the officials. The chair then reminded officials of the Parliamentary privileges. The Chairman reminded the officials of the tight schedule of the hearing and invited the Clerk to give her presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The PS of MFAET made her remarks before the Committee.

The committee questioned the officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Adjournment – The hearing ended and the Committee adjourns at 5:09 pm

Hearing 16

Friday 27th September 2013, CR II, Parliament House, 9:55 am

1. Members Present

Hon. Douglas Ete, MP (Chairman)

Hon. Mathew Wale, MP

Hon. Peter Shanel Agovaka, MP

Hon. John Maneniaru, MP

Hon. Andrew Manepora'a, MP

Apologies- Hon Vika Lusibaea

Absent- Hon. Martin Kealoe, MP

In- attendance – Mr. Edward Ronia- Auditor General – Secretary to PAC

Parliamentary Officials

Mr. Wilson Orisi - Committee Secretariat

Esther Turangaluvu - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon- Media (TV)

Witnesses

Mr. Barnabas Anga- Permanent Secretary (Supervising), Ministry of Mines & Energy

Mr. Gabriel Aimaee- Deputy Director – Energy

2. Prayer. Hon. Mathew Wale said the opening prayer.

3. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome the PS of the Ministry of Mines & Energy and his team for their attendance to

the hearing. He made briefs on the Supplementary Bill and reminded the officials of Parliamentary privileges. The Chair stressed the importance of Heads of Departments to attend PAC hearings. The Chairman then invited the Permanent Secretary to give his presentation on the bill to the committee.

4 Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Permanent Secretary of the Ministry of Mines & Energy made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

5. Suspension – The hearing ended and the Committee suspends at 11:07 am

Hearing 17

The hearing resumes at 11:20 am

Parliamentary Officials

Mr. Wilson Orisi - Committee Secretariat

Mr. Davidson Kukuti - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon-Media (TV)

Witnesses

Mr. Hubert Walter – Public Policy Advisor, Ministry of Public Service (MPS)

Mr. Dismus Orihao- FC

Ms. Janet Prakash -HRM

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Ete welcome officials of the Ministry of Public Service to the hearing. He made briefs on the Supplementary Bill and the importance of the Ministry of Public Service. He reminded the officials Parliamentary privileges. The Chairman then invited the Advisor to give his presentation before the committee.

2. Committee hearing into the 2013 Supplementary Appropriation Bill 2013.

The Public Policy Advisor of the Ministry of Public Service made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 11:36 am

Hearing 18

The hearing resumes at 11:41

Parliamentary Officials

Wilson Orisi- Committee Secretariat

Mr. Davidson Kukuti - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon - Media (TV)

Witnesses

Mr. Lenis Rukale- PS, Ministry of National Reconciliation & Unity

1. Opening Brief from PAC Chairman – The Chairman (Ag) of the committee, Hon. Peter Shanel welcomes officials of the Ministry of National Unity Reconciliation & Peace to the hearing. He made briefs on the Supplementary Bill and the importance of the Ministry of Public Service. He reminded the officials Parliamentary privileges. The Chairman then invited the PS to give his presentation before the committee.

2. Committee hearing into the 2013 *Supplementary Appropriation Bill 2013*.

The PS of the Ministry of National Unity, Reconciliation & Peace made his presentation before the Committee.

The committee questioned the Officials. The Officials gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 12:02 pm

Hearing 19

The hearing resumes at 12:05 pm

Parliamentary Officials

Wilson Orisi- Committee Secretariat

Mr. Whitmon Tabiru - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon- Media Unit (TV)

Witnesses

Mr. Edward Ronia- Auditor General

1. Opening Brief from PAC Chairman – The Chairman (Ag) of the committee, Hon. Peter Shanel welcomes officials the Auditor General to the hearing. He made briefs on the Supplementary Bill and the importance of the Ministry of Public Service. He reminded the Auditor General of Parliamentary privileges. The Chairman then invited the Auditor General to brief the committee.

2. Committee hearing into the 2013 *Supplementary Appropriation Bill 2013*.

The Auditor General made his presentation before the Committee. He particularly commented on the progress of accountability in the Public Service in general.

The committee questioned the Auditor General. The AG gave answers and made clarifications. Evidence concluded.

3. Suspension – The hearing ended and the Committee suspends at 1:58 pm

Hearing 20

The hearing resumes at 2:18 pm

Parliamentary Officials

Wilson Orisi- Committee Secretariat

Mr. Whitman Tabiru - Hansard

Mr. Sanjay Dhari- ICT Dept

Mr. Mitu Amon- Media (TV)

Witnesses

Mr. Michael Kikiolo- Chief Manager (Ag) Economics dept. Central Bank of Solomon Islands (CBSI)

Ms. Keithie Longeau – Government Finance & Statistics

Mr. Donald Kiriau- Senior Analyst, Economics dept

Ms. Elizabeth Ragimana- Manager (Ag)

1. Opening Brief from PAC Chairman – The Chairman of the committee, Hon. Douglas Ete welcomes officials from CBSI to the hearing. The Chair made comments on the important role of CBSI in the country and the Independent status of that institution in working with the government for the betterment of the country. He reminded officials of Parliamentary privileges. The Chairman then invited the officials to brief the committee.

2. Committee hearing into the 2013 *Supplementary Appropriation Bill 2013*.

The Officials of CBSI introduced themselves and Mr. Kikiolo briefs the committee on the economic outlook of the county by year 2013.

The committee questioned the officials. The officials gave answers and made clarifications. Evidence concluded.

3. Adjournment – The hearing ended and the Committee adjourns at 3:50 pm