



**THE 2003 SUPPLEMENTARY
APPROPRIATION BILL 2004**



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A

BILL

ENTITLED

AN ACT TO appropriate eighty seven million, seven hundred and thirty eight thousand, and sixty two dollars to the service of the year ending 31st December 2003.

ENACTED by the National Parliament of Solomon Islands.

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✓ 1. This Act may be cited as the 2003 Supplementary Appropriation Act 2004.

Short Title

✓ 2. The issue from the Consolidated Fund is hereby authorised of the sum of eighty seven million, seven hundred and thirty eight thousand, and sixty two dollars to be applied to the service of the year ending 31st December 2003.

Authorisation of
issue from the
Consolidated fund
\$87,738,062 to
the service of
2003

✓ 3. The sum specified in the preceding section shall be deemed to have been appropriated as from the date of passing this Act for supply of the heads specified and in the amounts respectively specified in relation thereto in the Schedule to this Act.

Appropriation.

SCHEDULE

(Section 3)

RECURRENT EXPENDITURE

	HEAD	EXPENDITURE AUTHORISED
✓	270 Ministry of Agriculture & Lands	2,049
✓	271 Auditor General	351,591
✓	272 Ministry of Education and Human Resources Development	8,727,995
✓	273 Ministry of Finance, National Reform and Planning	1,764,271
✓	274 Ministry of Foreign Affairs, Commerce and Tourism	3,108,406
✓	275 Governor General	385,357
✓	277 Ministry of Infrastructure Development	3,130,167
	278 National Debt Servicing	0
✓	279 National Parliament	3,237,709
✓	280 Ministry of Natural Resources	629,979
✓	281 Office of the Prime Minister and Cabinet	8,885,199
✓	283 Ministry of Police, National Security and Justice	53,123,989
✓	284 Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs	4,391,350
	Total Funds to be appropriated	87,738,062

Note:

Due to the breakdown in financial controls experienced in 2003, available data on Government expenditure is not wholly accurate and requires a number of adjustments to bring the figures closer to what was actually expended. As a result of the nature of these adjustments, it is not possible to provide figures at a more detailed level than by expenditure Head.

DEVELOPMENT EXPENDITURE

Supplementary appropriation is not required for development expenditure in 2003 as funds expended were within the 2003 Appropriation Act.

TOTAL RECURRENT AND DEVELOPMENT EXPENDITURE

87,738,062

THE 2003 SUPPLEMENTARY APPROPRIATION BILL 2004**Objects and Reasons**

The object of this Bill is to authorise supplementary expenditure of eighty seven million, seven hundred and thirty eight thousand, and sixty two dollars incurred to the service of the government under certain Heads of Expenditure in respect of the year ending 31st December 2003 in addition to the expenditure on those Heads authorised by the 2003 Appropriation Act 2002. The Schedule contains the amount required to be authorised in each Head.

**MINISTER OF FINANCE**

RECURRENT ESTIMATES

Head	Ministry	Original Estimates	Supplementary Estimates	Revised Estimates
270	Ministry of Agriculture and Lands	12,020,572	2,049	12,022,621
271	Auditor General	263,877	351,591	615,468
272	Ministry of Education and Human Resource Development	57,240,584	8,727,995	65,968,579
273	Ministry of Finance, National Reform and Planning	9,155,974	1,764,271	10,920,245
274	Ministry of Foreign Affairs, Commerce and Tourism	8,487,737	3,108,406	11,596,143
275	Governor General	650,506	385,357	1,035,863
276	Ministry of Health and Medical Services	41,492,746	0	41,492,746
277	Ministry of Infrastructure Development	11,369,392	3,130,167	14,499,559
278	National Debt Servicing		0	0
279	National Parliament	5,144,264	3,237,709	8,381,973
280	Ministry of Natural Resources	4,007,523	629,979	4,637,502
281	Office of the Prime Minister and Cabinet	11,122,669	8,885,199	20,007,868
282	Pensions and Gratuities	191,147	0	191,147
283	Ministry of Police, National Security and Justice	32,384,233	53,123,989	85,508,222
284	Ministry of Provincial Government, National Reconciliation and Peace and Home	23,803,038	4,391,350	28,194,388
		217,334,262	87,738,062	305,072,324

EXPLANATORY NOTES

The figures in the Supplementary Estimates column are additional expenditure that was incurred outside the 2003 Appropriation Act by respective heads in the 2003 fiscal year. This supplementary appropriation is to validate the additional expenditure as per section 19 of the Public Finance and Audit Act (Cap 120). The following sections provide more details of the additional expenditure under each Head.

270 - Ministry of Agriculture and Lands

Head 270 requires supplementation of \$2,049. Payroll was underspent by \$93,822. Other charges were overspent by \$95,871, driven by expenditures on land acquisition, office rent and house rent.

271 - Auditor General

Head 271 requires supplementation of \$351,591. Payroll expenditure was underspent by \$57,441. Other charges were overspent by \$409,032. The additional expenditure was primarily for office expenses and incidentals, hire of plants and vehicles, ex gratia payments and audit fees.

272 – Ministry of Education and Human Resource Development

Head 272 requires supplementation of \$8,727,995. This is made up entirely by overspending in payroll of \$16,167,400. Overspending was generally spread in all items, with civil service salaries and other allowances the largest overspends. Other charges were underspent by \$7,439,405, in particular education grants and education operating costs.

273 – Ministry of Finance, National Reform and Planning

Head 273 requires supplementation of \$1,764,271. Payroll expenditure was slightly underspent by \$2,703. Other charges were overspent by \$1,766,974. This was primarily due to spending on insuring airports and other general insurance, house rent and ex-gratia claims.

274 – Ministry of Foreign Affairs, Commerce and Tourism

Head 274 requires supplementation of \$3,108,406. Payroll expenditures were overspent by \$1,455,477, primarily through civil service salaries. Other charges were overspent by \$1,652,929, mainly in assistance to small business organisations, overseas travel and missions, and house rent.

275 – Governor General

Head 275 requires supplementation of \$385,357. Payroll expenditure was overspent by \$90,926, and was driven by official's travel and allowances when accompanying His Excellency and the fact that redundant officers continue to receive wages accounted for the high spending. Other charges were overspent by \$294,431 and was driven by His Excellency's local and overseas visits and medical expenses, repair of official buildings, and utility charges.

276 – Ministry of Health and Medical Services

Head 276 does not require supplementation.

277 – Ministry of Infrastructure Development

Head 277 requires supplementation of \$3,130,167. Payroll was overspent by \$1,236,756 driven by civil service salaries, overtime and allowances given to officials. Other charges were overspent by \$2,531,341 and was mainly expended on maintenance of airfield and aviation facilities, hire of vehicles, building maintenance and house rent.

278 – National Debt Servicing

This head was significantly underspent, primarily as little was expended on servicing official overseas debt.

279 – National Parliament

Head 279 requires supplementation of \$3,237,709. Payroll was overspent by \$706,368, driven by overtime, special duty and housing allowances. Other charges were overspent by \$2,531,341. This was mainly due to insufficient allocation given to members allowances and grants for members micro projects.

280 – Ministry of Natural Resources

Head 280 requires supplementation of \$629,979. Payroll was overspent by \$557,926, generally in civil service salaries. Other charges were overspent by \$72,053, primarily on building maintenance, house rent and special expenditure on arrears.

281 – Office of the Prime Minister and Cabinet

Head 281 requires supplementation of \$8,885,199. Additional expenditure on payroll was \$3,484,677 primarily due to under allocation in salaries and allowances of both civil servant and contracted personnel. Other charges were overspent by \$5,400,522. This was due to additional spending on overseas trips, long service benefit, house rent, special expenditure on arrears, and gratuities.

282 – Pensions and Gratuities

Head 282 does not require supplementation.

283 – Ministry of Police, National Security and Justice

Head 283 requires additional supplementation of \$53,123,989. An additional \$3,454,959 was spent on payroll. Other charges were overspent by \$49,669,030. The additional spending was required to meet a series of claims from police and special constables.

284 – Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs

Head 284 requires additional supplementation of \$4,391,350. On payroll the additional expenditure was mainly for salaries, wages, and other allowances. The total required is \$762,219. Additional expenditure on other charges was \$3,629,131 mainly driven by people's claims on

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harassment and for damaged/lost property, and to a lesser extent by grants and subvention, and provincial members allowances.

DEVELOPMENT ESTIMATES

No supplementary appropriation is required for development expenditure in 2003 as funds expended were within the 2003 Appropriation Act.