



**SOLOMON ISLANDS
NATIONAL PARLIAMENT**

**REPORT OF THE PUBLIC ACCOUNTS
COMMITTEE ON ITS**

INQUIRY INTO THE 2010 BUDGET PAPERS

TABLE OF CONTENTS

BACKGROUND TO REPORT	8
1.0 INTRODUCTION.....	8
2.0 COMMITTEE DELIBERATIONS.....	10
2.1 Budget Process	11
2.2 Budget Risk Analysis	11
2.3 Adequacy of Allocations.....	12
2.4 Internal Audits.....	13
2.5 Attendance of Government Ministers	14
2.6 Budget Dependency on Logging.....	14
2.7 Progress on Audit Reports	15
2.8 Information Contained in Draft Estimates	16
2.9 Emphasis on Productive Sectors for Economic Growth.....	17
2.10 Essential Manpower Establishment.....	17
2.11 Damage on the Tarmac	18
2.12 Motor Vehicles	18
2.13 Free Basic Education.....	19
2.14 Renovation and illegal occupation of Government Houses.....	19
3.0 DETAILED EXAMINATIONS.....	21
3.1 Head 270 Ministry of Agriculture and Livestock Development.....	24
3.2 Head 271 Office of the Auditor-General	25
3.3 Head 272 Ministry of Education & Human Resources Development.....	25
3.4 Head 273 Ministry of Finance and Treasury.....	27
3.5 Head 274 Foreign Affairs External Trade and Immigration	28
3.6 Head 275 Office of the Governor General	29
3.7 Head 276 Ministry of Health and Medical Services.....	29
3.8 Head 277 Ministry of Infrastructure Development.....	30
3.9 Head 279 National Parliament	31
3.10 Head 280 Ministry of Forestry and Research.....	32
3.11 Head 281 Prime Minister's Office & Cabinet.....	32
3.12 Head 283 Ministry of Police and National Security.....	33
3.13 Head 284 Ministry of Provincial Government and Institutional Strengthening	34
3.14 Head 285 Ministry of Lands, Housing and Survey	35

3.15	Head 286 Ministry of Development Planning and Aid Coordination	36
3.16	Head 287 Ministry of Culture and Tourism.....	36
3.17	Head 288 Ministry of Commerce, Industry and Employment	37
3.18	Head 289 Ministry of Communication and Aviation	37
3.19	Head 290 Ministry of Fisheries and Marine Resources	38
3.20	Head 291 Ministry of Public Service	39
3.21	Head 292 Ministry of Justice and Legal Affairs & Head 296 National Judiciary	40
3.22	Head 293 Ministry of Home Affairs	41
3.23	Head 294 Ministry of National Unity, Reconciliation and Peace.....	42
3.24	Head 295 Ministry of Mines, Energy and Rural Electrification.....	42
3.25	Head 297 Ministry of Women, Youth and Children's Affairs	43
3.26	Head 298 Ministry of Rural Development and Indigenous Affairs.....	44
3.27	Head 299 Ministry of Environment, Conservation and Meteorology.....	44

APPENDICES

4.0	Minutes of PAC Meetings	45
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REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [a] 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 into the Inquiry into the 2010 Draft Recurrent and Development Estimates for laying before Parliament.



Honourable Francis Zama

Chairman

Public Accounts Committee

December 9, 2009

Members of the Public Accounts Committee:

Hon. Francis Zama, MP

Chair

Hon. Manasseh Sogavare, MP

Member

Hon. Mark Kemakeza , MP

Member

Hon. Peter Boyers, MP

Member

Hon. Trevor Olavae, MP

Member

Hon Peter Shanel, MP

Member

Secretary to the PAC:

Mr. Edward Ronia

Auditor General

PAC Terms of Reference

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

69. PUBLIC ACCOUNTS COMMITTEE

(1) There shall be a Standing Select Committee designated the Public Accounts Committee whose functions shall be -

- (a) to examine the accounts prescribed by Section 33 of the Public Finance and Audit Act 1978, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
- (b) to establish the causes of any excesses over authorized expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;
- (c) to examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor's report thereon and to report the results of such examination to Parliament;
- (d) to summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;
- (e) to consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
- (f) to summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;
- (g) to report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and

- (h) to make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.
- (2) The Auditor General or his nominee shall be the Secretary to the Committee and shall make available to the Committee the services of his staff and other facilities of his Office.

BACKGROUND TO REPORT

1.0 INTRODUCTION

The National Parliament is the independent law making arm of government to which the Executive is accountable. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the annual appropriation acts. The Parliament also performs many of its oversight functions through its Standing Committees. The Public Accounts Committee (the Committee) is one of these committees and has given the power to examine the annual Draft Estimates prior to their tabling before Parliament.

This Report outlines the findings of the Committee's examination of the 2010 Draft Estimates that comprise the Recurrent and Development Estimates, the proposed recurrent Establishments Register and the related documents supporting the formulation of the Estimates.

In compliance with the Standing Orders this Report has been prepared for the information of members to assist them in their debate on the 2010 Appropriation Bill. It aims to draw to the attention of the members of Parliament those matters, which the Public Accounts Committee has identified through its inquiry and particularly through the questioning of senior public officers.

The Committee wishes to put on record its appreciation to the Governor of the Central Bank of Solomon Islands, Mr. Denton Rarawa, representatives from the Association of Solomon Islands Manufacturers (ASIM) and the Solomon Islands Chamber of Commerce and Industry (SICCI) and those public officials who appeared before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role including ensuring that public funds are allocated and expended appropriately and for the public good.

1.1 Scope of this Report

Under Standing Order 69, the Committee is responsible to:

- (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 Parliamentary debate thereon of the background to the Draft Estimates and draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate; and
- (h) make recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

In exercising these functions the Committee seeks to establish whether:

- the draft estimates have been drawn up within the prevailing legal framework;
- past budget performances were taken into consideration in developing the draft estimates;
- the draft estimates encompass the stated Government policies and that these policies are sound and have been designed and/or formulated based on relevant and appropriate information; and
- the draft estimates are feasible, practical and would ensure the achievement of those policies.

1.2 Methodology

The Committee interviewed and sought views from Permanent Secretaries, Under Secretaries, Chief Accounting Officers, Administrative Officers and other senior officials who are responsible for the development and implementation of the draft estimates. The

Committee also obtained and reviewed relevant documents submitted by officials of the Ministries which pertain to the development of the 2010 Draft Estimates.

In addition, the Committee heard from the Governor of the Central Bank on the economical outlook of the Country. Representatives from the Association of Solomon Islands Manufacturers (ASIM) and the Solomon Islands Chamber of Commerce and Industry (SICCI) also appeared before the Committee and inform the Committee on the financial impact that the government taxation policy has on the private business sector.

2.0 COMMITTEE DELIBERATIONS

BUDGET OVERVIEW

The Committee was only provided with a copy of the Budget Strategy from the Ministry of Finance and Treasury for the 2010 Budget Estimates on the first day of the Hearings. The late presentation of the Budget Strategy left the Committee very limited time in studying the budget framework.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The Committee heard evidence from Accounting Officers and senior staff within certain key Government Ministries in relation to the Draft 2010 Recurrent and 2010 Development Estimates, the 2010 Establishments Registers. Briefing notes, planning documentation and explanatory material was also tabled with the Committee. A list of Ministries and the schedule of hearings is attached to the report (attachment). The full transcripts of these proceedings are contained in Hansard which is available on the Parliamentary website at www.parliament.gov.sb. A summary of significant issues and matters discussed in Ministries is contained in Part 3 of this Report. The following key findings, common themes and recommendations are summarized below:

2.1 Budget Process

The Committee received the draft Recurrent Estimates on Tuesday 24 November 2009 and the Development Budget Estimates on Thursday 26 November 2009. The Committee in its deliberative meeting on the 27 November 2009 resolved to hear from all 29 Heads of the Expenditure in the Draft Estimates.

The 29 Heads which appeared before the Committee provided excellent briefings and the Committee considered that the hearings process worked well despite the limited time available. The Committee appreciated the efforts made by the Ministries and is generally pleased with the preparations that are now undertaken by Ministries prior to their appearance before the Committee.

Recommendation 1

That the Ministry of Finance and Treasury in the future provide the Committee with the detailed Budget and documentation three weeks prior to the proposed Budget deliberations in Parliament.

2.2 Budget Risk Analysis

The Committee discussed potential risk factors associated with the implementation of programs outlined in the Budget. Of particular concern was the lack of analysis and forecasting of the effects of inflation and post effects of the global financial crisis may have on the Solomon Islands economy and whether the forecasted increase in revenue from Inland Revenue was realistic. Overall the Committee noted that there were not any risk analyses undertaken in the preparation of the 2010 Budget. The Committee further noted that this matter was raised in its review of the 2008 Draft Estimates and that a documented risk analysis has still not been prepared by the Ministry.

Recommendation 2

The Committee recommends that the future Budget process include a risk analysis to acknowledge potential risks that could impact the implementation of programs outlined in the Budget and that a copy of this be provided to the Committee.

2.3 Adequacy of Allocations

Some Ministries who attended the hearings indicated that their current bids were adequate for most operational areas but identified that they would either seek additional funding through Supplementary Appropriation in June/July 2010, or use virements or contingency warrants to meet shortfalls in funding programs to implement some of the government's key policy areas.

The Committee was most concerned that this approach identified a lack of centralised strategic planning and failure in the approval process and had the potential to interfere with Parliaments role in approving government expenditure. These facilities are intended unplanned urgent expenditure and inappropriate use, particularly of the virements and contingency warrants, circumvents the lawful process of parliamentary appropriation. Contingency warrants are provided for by the Constitution only for cases of unforeseen emergencies. The assurance that funds are used for the purpose that they were appropriated is the fundamental control of the Budget process.

The Committee noted that the inappropriate use of contingency warrants has been identified in every report in recent years, but the practice remains entrenched in the system due to poor planning and political necessity.

Recommendation 3

The Committee recommends that the Ministry of Finance and Treasury provide a list of all virements each year to the Committee as part of the Budget Estimates Inquiry. Further, the Committee expects Ministries to plan and budget for the financial year rather than having unrealistic expectations in terms of the Supplementary Appropriation or Contingency Warrants to fund core policy commitments.

2.4 Internal Audit

Many Ministries stated that there is a need for internal audit functions to monitor and report on compliance with internal controls, procedures and compliance with the Public Finance and Audit Act, the Financial Instructions and the General Orders. The Committee was concerned that the Ministry of Finance and Treasury's Internal Audit Bureau has only three officers due to lack of budget for payroll, even though the Establishment originally approved by the Ministry of Public Service is for 25 officers. In addition to these officers, the Committee noted that there is a small internal audit unit within the Ministry of Health and Medical Services.

The Committee noted that the recommendation for an establishment of internal audit offices in Ministries is stressed in the Committee's Report every year but was never considered by the Ministry.

Recommendation 4

The Committee recommends that the Ministry of Finance and Treasury reassess the funding for all established positions within the Ministry and ensure that there is adequate funding to properly resource the Internal Audit Bureau. The Committee also recommends that the Government should prioritise capacity development support from donor agencies to build an active and effective internal audit unit which has responsibility to review and report on all government Ministries. In addition, the Committee further recommends that the Ministry of Finance & Treasury should liaise with Donor Agencies such as RAMSI to fund the recruitment of the 25 officers.

2.5 Attendance of Government Ministers

The Committee is very disappointed that although all Ministers were invited to appear with their respective officials on the Budget Estimates, none turned up for the Hearings. The Committee noted that the attendance of Ministers at Public Accounts Committee hearings into both Draft Estimates and the Auditor General's Reports promotes accountability of the government to Parliament and the people of the Solomon Islands and encourages all government Ministers to attend future hearings when requested.

Recommendation 5

The Committee recommends that all government Ministers attend PAC hearings when requested.

2.6 Budget Dependency on Logging

The Committee noted the current estimates for logging reserves within Solomon Islands indicate approximately five years supply after which time this major revenue stream is expected to cease. The Committee fully supported the sustained replanting projects proposed by the Ministry and was concerned that the extent of planned support to communities for reforestation falls well short of what is needed.

Recommendation 6

The Committee recommends that funding initiatives relating to reforestation in rural areas should be increased and be carefully monitored and reported on.

2.7 Progress on Audit Reports

The Committee followed up with all Ministries subject to audit reports by the Auditor General and noted that Ministries are not implementing recommendations by the Auditor General.

The Committee noted from the Auditor General's Report on the Status of Audits as at 30 June 2008, that the inadequacy of control, breach of financial instruction and poor filing of the expenditure systems of the Civil Aviation special Funds 2006 is still an existing problem. The Committee is very concern with the management of this Fund and recommends that the Auditor General follow up on its recommendations made in the Status of Audits as at 30 June 2008, especially on this Fund.

The Committee previously received Action Plans from many Ministries. The Committee has requested updates of all action plans and recommends strategic follow up audits be undertaken by the Auditor General.

Recommendation 7

The Committee recommends that all Ministries, which have been the subject of an audit report tabled in Parliament, provide an updated Action Plan to the Committee and the Auditor General every 6 months.

Recommendation 8

The Committee recommends that the Auditor General follow up on its recommendations made in the Status of Audits as at 30 June 2008 in relation to the Civil Aviation Special Fund 2006 and provide a report of its findings to the Committee.

2.8 Information Contained in Draft Estimates

The Committee noted that the first schedule of the Bill do not correspond with those in the 2010 Draft Recurrent Estimates (page VII), although a corrigendum was tabled by Ministry of Finance and Treasury to correct the error. This indicated the lack of care by the Ministries concerned when drafting the Budget Estimates and the Bill.

The Committee was particularly concerned that there were pages missing in the Estimated Actual 2010 for the Office of the Governor General and as a result affects the level of scrutiny in which the Committee would like to achieve for that Head.

The Committee also noted in the 2010 Recurrent Estimates that increases in amounts specified in the Budget are enclosed with brackets. It is general math principles that figures that are enclosed with brackets are defined as negatives, reduced in figures, minus or subtracted. The Committee noted that although the figures increase from the 2009 estimates or actuals, they were still enclosed with brackets. The Committee concluded that the Ministry of Finance & Treasury must explain to Parliament why the figures were enclosed in brackets.

The Committee and the House must have full and accurate information available to it during the Appropriation process. The access to critical comparative data is essential for the Committee to perform its function. There was nothing available this year.

Recommendation 9

The Committee recommends that the Ministry of Finance and Treasury must ensure that all budgetary documents submitted to Parliament in the future must have information that are complete, consistent, accurate and without error. To enable the Committee to have a realistic review of past spending all Ministries should provide "Estimated Actuals" to 31 December when actuals are not available for the year.

2.9 Emphasis on Productive Sectors for Economic Growth

The Committee understands that one way of growing the economy is to be focus on the productive sectors such as agriculture, fisheries, forestry and all the productive sectors. The Committee is concern that the allocation of money and resources are not favorable in the productive ministries given the need to develop economic growth.

Additionally, it was suggested that appropriate training and planning is required prior to the commencement of projects.

Recommendation 10

That the Ministry of Planning and Development focused on facilitating funds to promote economic growth in the rural areas and agricultural development as this is where resources are abundant. Thus, the allocation for the productive sectors must increase and centered on the agricultural areas to encourage economic growth.

2.10 Essential Manpower Establishment

The Committee noted from the Ministry of Health and Medical Services that there is shortage of manpower within this Ministry and that in the recommendation of the Report on the Review of services and conditions in the NRH inadequate manpower is negatively impacting the delivery of quality services at the Hospital. The Committee strongly emphasized the need of the budget to reflect the recommendations of the review report on the NRH by a Commission mandated by Parliament.

The Permanent Secretary explained that special cases with justifications can be accommodated although the Committee is concerned about where the funding for the special cases is coming from.

The Committee strongly opposed the idea as it is an abuse of budget process and inappropriate use of contingency warrant for foreseen future programs and that this policy leaves no allowance for human development within the Public Service.

Recommendation 11

The Committee recommends that the communication lines between the Ministry of Finance and Treasury, the Ministry of the Public Service and other Ministries be improved to enable the Public Service to recruit for positions identified by each Ministry as key positions and that costs relating to these positions must be reflected in the budget.

2.11 Damage in Tarmac

The Committee is concerned that the damage in the tarmac in the apron of the airfield is still not repaired due to the technical layer structure required for its construction that needed designing by experts from Japan. This remains a serious issue for immediate attention and that the Ministry of Communication and Aviation must take serious steps in repairing the damage to upgrade the safety standards at the Airport.

Recommendation 12

The Committee recommends that the Ministry of Communication and Civil Aviation take the immediate step of engaging experts to repair the tarmac in the apron of the airfield as soon as practicable.

2.12 Motor Vehicles

The Committee noted that the control of government vehicles is now delegated to Permanent Secretaries. The Permanent Secretary noted that there was misuse and abuse of government vehicles within certain Ministries.

The Committee further noted the need to recentralized control over the government motor vehicle pool and that the Ministry once had a standardized list of motor vehicles for different purposes which lead to more efficient and lower cost of purchase and easier maintenance of vehicles.

Recommendation 13

The Committee recommends that the government motor vehicle pool be recentralized under the Ministry of Infrastructure Development and that a standardized list of motor vehicles be reintroduced.

2.13 Free Basic Education

The Committee heard from the Permanent Secretary that there was increase of enrolment which resulted in poor parental contributions towards Schools, crowded classrooms, the need for more staff, staff housing and the need to deliver more teaching and learning materials.

The Committee was further informed that the Ministry is very much reliant on the cash flow of the government to disperse funds to school and this will be done quarterly.

Recommendation 14

The Committee recommended that the Ministry of Education & Human Resources must consult with the Ministry of Finance & Treasury to assess the financial risk of implementing the free basic education program.

2.14 Renovation and Illegal Use of Government Houses

The Committee noted with concern the illegal occupation and the existing deteriorating situation of government houses. The Permanent Secretary advised that while the Ministry of Infrastructure and Development is responsible for the repair and maintenance of government houses, the Ministry of Lands and Housing and the Prime Minister's Office are responsible for allocating occupants of government houses. Lack of funding has been the main restraint on the ministry to carryout decent repairs to government properties.

The Committee also noted that lack of control over government houses resulted in illegal occupation of some of the government houses. The Permanent Secretary for Lands and Housing assured the Committee that once illegal occupants are identified, eviction notices will be issued to occupants. She further assured the Committee that a list of all government Housing that are illegally occupied will be provided to the Committee as soon as she obtained a copy from the Department of Housing.

Recommendation 15

The Committee recommended that the Ministry of Lands, Housing and Survey must address the issue of illegal occupation of all government Houses.

3.0 DETAILED EXAMINATIONS

Standing Order 69 (1) (e) and (f) requires the Public Accounts Committee to examine in detail Draft Estimates prepared by Government in support of the Annual Appropriation Bill. For this purpose, the Committee shall summon the Accounting Officer and technical staff of the Ministries to provide background information and explanations to the Draft Estimates.

Further, provisions of Standing Order 69 (g) and (h) requires that the Committee shall report to Parliament in a manner that would fully inform the members prior to the Parliamentary debate on the Annual Appropriation Bill and shall draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate.

Furthermore, the Public Accounts Committee shall make such recommendations as it thinks fit and receive comments and reports on such recommendations from the Government, particularly action that may be necessary to impose on those concerned.

As indicated previously the full transcripts of these proceedings are contained in Hansard which are available on the Parliamentary website at www.parliament.gov.sb. However, to facilitate debate on the Budget Estimates the following matters noted by the Committee during its hearings into selected Ministries are provided and additional information can be accessed through Hansard.

Ministry	Issues	Hansard
Ministry of Agriculture	<ul style="list-style-type: none"> • Agriculture Development • Incomplete Infrastructure • Vangunu Oil Palm Plantation • Assistance to Farmers • Rice Imports • Cocoa Credit facility 	Pg.222
Ministry of Education & Human Resources	<ul style="list-style-type: none"> • Internal Audit • Auditor General's Report 	Pg. 86

Develop -	<ul style="list-style-type: none"> • Emphasis on SICHE as the Prime Tertiary Institution • Free education policy 	
Ministry of Finance & Treasury	<ul style="list-style-type: none"> • Timing of Preparation and Submission of the Draft Estimates • Impact of Global Economy • Debt Servicing account • Inland Revenue Estimates • Budget Veracity • Internal Audit • Planned Use of Contingency Warrants • Insufficient Funding to Implement Government Priorities 	Pg. 3
Ministry of Health & Medical Services	<ul style="list-style-type: none"> • Auditor General's Reports • Rural Development 	Pg. 121
Ministry of Infrastructure Development	<ul style="list-style-type: none"> • Provincial and Constituency Shipping • Procedures for project identification and analysis 	Pg. 264
Prime Minister's Office & Cabinet	<ul style="list-style-type: none"> • Effectiveness of Administration • SIVB Subvention • Constitutional Reform Unit 	Pg. 247
Ministry of Police & National Security	<ul style="list-style-type: none"> • Community Policing • Partnership with PPF 	Pg. 147

	<ul style="list-style-type: none"> • Assistance to provincial centers 	
Ministry of Development Planning & Aid Coordination	<ul style="list-style-type: none"> • Development Budget Implementation • Development Budget Performance • Departmental Capacity • Consultations with Bilateral partners • Assistance to provinces & provincial governments 	Pg. 36
Ministry of Communication and Aviation	<ul style="list-style-type: none"> • Review of Telekom Agreement • Upgrade of provincial airfields • Honiara terminals • Civil Service Salary • Auditor General's Report 	Pg. 174
Ministry of Public Service	<ul style="list-style-type: none"> • Recentralization of Disciplinary Action • Capacity auditing • Review of General Orders • Public Sector Strengthening • Public Service reform 	Pg. 59
Ministry of Rural Development & Indigenous	<ul style="list-style-type: none"> • Inadequate Funding for Rural Development • Departmental management of RCDF • Rural Communication facilities • Rural livelihood funding 	Pg. 196

3.1 Head 270 Ministry of Agriculture and Livestock Development

- **Agriculture Development** - The Committee is of the view that the future prosperity of the Solomon Islands lies in increasing exports and replacing imports with locally produced products. Driving the development in palm oil, cocoa, copra and rice are considered by the Committee as crucial for economic development as well as identifying and developing alternative crops such as surface Taro. The Committee continues to be concerned that substandard results are being achieved from significant investment of government funds. The Permanent Secretary hopes to bring 40,000 hectares of land under palm oil plantation with the current and future funding allocations. However, he is concerned that development opportunities such as exotic crops are not being exploited due to lack of budget. In relation to copra, the Permanent Secretary advised that development of the industry, including downstream processing, is highly desirable, but requires coordination with the Ministry of Commerce, Industry and Employment.
- **Cattle Project** – The Committee is deeply concerned with the lack of progress regarding the Cattle project. It appears to the Committee that significant funding has been allocated to this project with little to no cattle to show for it as well as significant understaffing.
- **Oil Palm Plantations** - The Permanent Secretary updated the Committee on progress of the Vangunu Oil Palm plantation and advised that the management of the company has abandoned the project. The government is following its procedures to resolve the insolvency of the project. In addition, the Committee is concerned with the progress of other Oil Palm Plantations, particularly Aluta, which has been funded since 2007 albeit with no results. The Permanent Secretary advised that there are many challenges with the development of Oil Palm Plantations, Aluta, for example, has just recently resolved its issue of certainty in its land ownership. In addition, the Permanent Secretary advised that there is a lack of investment funds.

3.2 Head 271 Office of the Auditor-General

- **Auditor General's Report** – The Committee sought an update on the recommendations on serious findings of the Auditor General's Reports in the past years whether there have been any prosecutions against serious corrupt criminal cases and whether responsible ministries are taken corrective measures on the recommendations of the reports? In response the Auditor General explained that while responsible ministries, on paper gave assurances of planned actions to remedy the weaknesses identified in the reports, in practice very little remedial actions have been taken. No criminal case of prosecution has been taken against perpetrators identified by the reports.
- **Greater Independence** – The Committee expressed greater need for the independence of the Auditor General's office to undertake its examinations and work unhindered to give greater credibility to the Auditor General's report. In response the Auditor General assured the Committee of a draft National Audit Office Bill is with the Prime Minister's Office for submission to Cabinet. A National Audit Office under the Bill will give greater independence and broaden the scope for audit by the Auditor General.
- **Anti Corruption Agency** – The Committee raised serious concerns for the lack of actions on the Auditor General's findings which would equally apply to the Leadership Code Commission and Ombudsman's Office report findings. Auditor General responded that a draft report produced by two experts on Anti Corruption Agency is with the Anti Corruption Task Force (ACTF) established by PMO. It is yet to be submitted for endorsement by Cabinet. An Anti Corruption Agency (ACA) would be able to prosecute on findings of the Auditor General's reports.

3.3 Head 272 Ministry of Education & Human Resources Development

- **Inadequate Consultation** – Permanent Secretary expressed dissatisfaction with the inadequate consultation done by the Budgetary Unit of MOFT. After the initial submission of their bids they were not consulted again until the 2010 budget was finalized.

- **Effectiveness of Donor funding** – The Committee enquired as to how effective the implementation and accessibility of the donor funding. The Permanent Secretary advised that with the stringent procedures required to access the Stabex funds it was not possible to access the fund properly before it expired. Otherwise other donors funding focused on approved education programs has greatly impacted the sector. In the period immediately after the ethnic tension it was donor funding that helped to revive the education sector to normalcy. NZAID funding will be accessed and utilized in 2010.
- **Scholarship** – The Committee enquired as to how the Ministry allocates scholarship awards. A concern was raised whether scholarships are offered based on the need of the country. For example, mining industry will become a potential sector of enormous development in the future. Solomon Islands should be preparing for it by training its citizens to work in the industry. The Permanent Secretary advised that the scholarships are allocated based on the opportunity list produced by the Ministry of Development Planning to students with GPA of 3 and above.
- **Scholarship Termination** – Two termination exercises were undertaken in 2009 for students who performed below requirement. Ministry has confirmed availability of extra tutorials for students at the USP but S.I students are not utilizing it. The Ministry plans to prepare students to take SBBA form 7 rather than Form 7 Foundation. This will require training of teachers in SBBA Form 7 materials for teaching.
- **Development of USP 4th Campus** – The Committee enquired as to how far is the progress of the planned USP fourth Campus establishment in Honiara. The Permanent Secretary advised that the fourth Campus will not be implemented in 2010 due to lack of funding. In 2010 the USP Campus in Honiara will offer face to face study mode to enable students doing 100 level studies at the Honiara Campus in 2009 to continue their second year degree courses at the Campus in 2010.
- **Fee Free Education** – Enrolment in schools have increased substantially with the introduction of fee free education. Its downside effect is the dwindling contributions and support for schools as would normally expected of parents. With increased enrolment of students classrooms

become crowded, demand for teaching materials increased, more staffing and therefore more staff houses are needed.

3.4 Head 273 Ministry of Finance and Treasury

- **Domestically Sourced Revenue Estimates** - The Committee was concerned that the budgeted \$250M increase in domestically sourced revenue contributions would not be achievable in the environment of global economic downturn.
- **Timing of Preparation and Submission of the Budget Strategy and Outlook** - The Committee had only received a copy of the Budget Strategy and Outlook on Monday 30 November, which was the first day of the Committee hearings. The Committee expressed concern that insufficient time for the Committee to properly review this document in preparation of questions for each of the Ministries.
- **Impact of Global Economy** - The Committee was concerned that the budget did not take into account the potential negative impacts of recent events in the global economy, including the recent global financial crisis. The Permanent Secretary sought to assure the Committee that the budget was credible, conservative and affordable.
- **Budget Veracity** - The Committee enquired for the reason why the budget forecasts continue to be inaccurate given the large revisions as well as supplementary appropriations. The Permanent Secretary explained that cash management is a different exercise than budget management.

Second Hearing 4:30pm Friday 4 December 2009.

- **Revenue** – The Committee sought strong assurance that the budgeted revenue of \$1.9 billion was achievable. The Permanent Secretary indicated that the Ministry believed the revenue budget was achievable. The IR Commissioner indicated that with the increase in the number of registered small businesses in recent years he expected a much larger number of people and businesses to be paying tax next year. It was also expected that campaign to reduce tax avoidance would have positive benefits to the revenue budget. Given these policy changes and enhanced collection

activity as well as the growth in the economy and the expected inflation level the Commissioner believes that the revenue figure is achievable.

- **Essential Establishment** - The Committee was strongly critical of the budget process especially in not providing funding for the shortages of manpower in MHMS. In the recommendation of the Report on the Review of services and conditions in the NRH inadequate manpower is negatively impacting the delivery of quality services at the Hospital. The Committee strongly emphasized the need for the budget to reflect the recommendations of the review report on the NRH by a Commission mandated by Parliament.
- **Actual establishment budgeting** - The Committee made the point that the salaries budget should be made based on expectations of actual staffing levels anticipated in 2010 and not be allowed to be manipulated through anticipating budget supplementation later in the year.
- **Provision of Information to the Committee** - Committee members were not satisfied with the information provided in an incomplete budget document. Some pages, for example, on the Office of Governor General budget estimate were missing that the Committee could not properly analyze the figures and purposes of the budget.

3.5 Head 274 Foreign Affairs External Trade and Immigration

- **Projects** – Three ongoing projects are Canberra Chancellery, the PNG Chancellery and the International Airport VIP Lounge. The PNG Chancellery project will be completed and opened in February 2010. The Canberra project design phase has been completed with \$3.6 million already incurred. The design was awarded and completed by an architect firm based in Canberra. The 2009 supplementary budgetary Appropriation provision of \$6.0 million has not been transferred as yet to Canberra for construction mobilisation. Canberra Chancellery is expected to be completed by October/November 2010. On the VIP Lounge, the \$500,000 budget is needed to begin work for a separate building outside the Honiara terminal building early in 2010.
- **Fiji High Commissioner** – The Budget for the Fiji High Commission Office is omitted from the budget. The High Commissioner position is

pending appointment by Cabinet. The Fiji diplomatic post is currently manned by a Counselor, a Third Secretary and another official from the Ministry.

- **Cuba Students Funding** - The Committee raised as a concern the arrangements for the funding of students studying medicine in Cuba. The scholarship funding that enables S.I students to undertake studies in Cuba does not appear in the budget or in the SIG accounts. Funds are administered directly from Iran without any accountability on the part of S.I.

3.6 Head 275 Office of the Governor-General

- **Inadequate information** – The Committee was concerned that they could not follow the presentation by the Accounting Officer responsible for Governor General Office because the draft budget document used by the Committee was incomplete. The Committee is an important Parliamentary oversight arm that should be provided complete documents to conduct their business properly.
- **Prerogative of Mercy Provision Inadequate** – The budget provision for the conduct of business for the Prerogative and Mercy Committee was so inadequate that would not enable any operations at all in the 2010.

3.7 Head 276 Ministry of Health and Medical Services

- **Inadequate Staffing** -The Committee is deeply concerned about the lack of qualified staff, particularly nurses, given the deficiencies in the current health system and further concerned whether there are sufficient funds to meet the 148 vacant posts for 2010. The Permanent Secretary assured the Committee that there is decrease in the establishment for the Ministry compared to 2009.
- **Inadequate Supply of Drugs** - The Committee expressed concerned at the shortage of drugs to the urban and rural clinics from National Medical Store in past years and whether this will not be experience in 2010 since \$5,036,800 is allocated in the budget. The Permanent Secretary advised that the Ministry have in place a system that monitor the supply of drugs

to the rural clinics, but there is need to further improve the system so that drugs are not running out as experienced in the past.

- **Drugs Sold at Shops** – The Committee is very concerned about the selling of drugs like Panadol, Panadine and other drugs in the local shops and whether they are safe for public consumption. The Permanent Secretary informed the Committee that there is a legislation that looks after the selling of drugs to public and Pharmacy is responsible for enforcing the legislation.
- **Decentralization of National Referral Hospital Services** – The Committee noted with concern the level of patients referred to National Referral Hospital for treatment and want to know whether the Ministry has plan to decentralize the service provided by National Referral Hospital to the provinces. The Permanent Secretary informed the Committee that 14 areas in the provinces have been identified for the Ministry to set up clinics that will address the committee’s concern.
- **Anti-Tobacco Bill** – The Committee expressed concerned why it has taken quite a long time for the bill to be brought before Parliament. The Permanent Secretary revealed that the bill is now with them after the Attorney General Chamber has gone through it.

3.8 Head 277 Ministry of Infrastructure Development

- **Motor Vehicle** – The Committee noted with concern that government vehicles are used and abused uncontrollably. The Committee enquired as to what is the policy on the use of government vehicles. The Permanent Secretary admitted that under the existing policy which gives Permanent Secretaries of line ministries the control over the vehicles allocated to them does not seem effective. Permanent Secretaries are not exercising control over vehicles as expected of them.

He advised that the Ministry is planning, except for direct allocations, to provide garaging of all government vehicles at a central location. His concern however is the lack of adequate parking space around his ministry property area to develop for the pooling of government vehicles.

- **Building Code** – The Committee enquired about the progress of the drafting of the building code. The Permanent Secretary has advised that under RAMSI funding the building code is currently reviewed by SKM consultant. When the code is adopted it will be applied on all future building constructions. Existing buildings, unfortunately, will not be subject to the building code standards.
- **Government Houses** – The Committee noted with concern the illegal occupation and the existing deteriorating situation of government houses. The Permanent Secretary advised that while the Ministry is responsible for the repair and maintenance of the government houses, the Ministry of Lands and Housing and the Prime Minister’s Office are responsible for allocating occupants of government houses. Lack of funding has been the main restraint on the ministry to carryout decent repairs to government properties.

3.9 Head 279 National Parliament

- **Fencing Project** – The Committee noted that fencing around the parliament premises has started in 2009 and was concerned that the budget allocation may be inadequate to complete the project. The Clerk confirmed that the project should be completed in 2009. However the slow release of funds by Ministry of Finance and Treasury will affect the progress and completion plan.
- **Parliamentary Staff turnover** – The Committee noted with concern the high staff turnover of well trained staff on the parliamentary system. The Clerk acknowledged the concern. Not only are the staff officers highly demanded locally but regional Parliaments are in demand for them as well. The Clerk requested understanding for recruitment of degree students for replacement each year.
- **Youth Parliament** – The Committee noted the success of the Youth Parliament in 2009. The Committee noted that Women Parliament may still not possible to convene in 2010.
- **Media Coverage** – The Committee noted the public satisfaction with media coverage of Parliament and Parliamentary Committees programs and sessions. The media coverage will continue to be sponsored by SIG and UNDP.

3.10 Head 280 Ministry of Forestry

- **Depleted Loggable Forest** - Permanent Secretary advised that at the current rate of logging of 1.4 million cubic feet per annum the remaining 3 million cubic feet of timber would run out within two years. The Committee viewed this situation with concern and raised the question as to whether logging should be stopped immediately. There is concern that the Ministry is not exercising proper regulatory control measures in the extracting of logs. There are too many licenses already issued and are still being issued for a very limited loggable forest.
- **Back Felling** - The Permanent Secretary also advised that logging companies are allowed to do back felling of trees on areas already logged. This is concerning in danger of causing arid land and erosion. This should be stopped.
- **Act Amendment** – Permanent Secretary claims that the current logging licenses cannot be stopped by virtue of the Act. The Committee found that irresponsible and difficult to accept. The Forestry Act should be amended to allow for control measures to be taken such as moratorium on licenses and logging operations.
- **Redevelopment of Tree Plantation** - There was the possibility of redeveloping timber resources through plantation planting if it was possible to get access to land of for this purpose. The Ministry advised that sustainable logging of plantation timber was possible if sufficient reforestation could be achieved.

3.11 Head 281 Prime Minister's Office & Cabinet

- **Federal Government Reform** - First draft of the Federal Government reform was completed. Budget constraint could not allow further progress in the development of the Federal Government Constitution. Uncompleted stages in the development will be carried forward into 2010.

- **Guadalcanal Land Enquiry** – Work on this project started in October 2009. There is no further progress thereafter due to budget constraints.
- **House Rent** - The Committee demands list of illegal occupants of government houses administered by PMO.
- **Former PS Case** – Government is planning to appeal the case between the Government and former permanent secretaries which was ruled in favour of the former permanent secretaries. The Committee is concerned that the budget does not cater for the possibility of losing the appeal case.
- **RIPEL Case Enquiry** – The delay in the RIPEL case is due to delay in the appointment of Chairman. Two identified persons, one was appointed Governor General and the other resigned caused the delay in the progress on the appointment of Chairman.
- **Central Intelligent Unit** – Previously the Central Intelligent unit was budgeted for under PMO. This unit has shifted to Ministry of Police, National Security and Correctional Services.

3.12 Head 283 Ministry of Police, National Security and Correctional Services

The Permanent Secretary (PS) of the Ministry of Police, National Security and Correctional Services presented the 2010 budget of \$124,779,290 comprising the development and recurrent Budget.

- **Essential services omitted** - The Committee was told and was concern that the ministry's bid for essential services were not in the 2010 budget.
- **Police Housing projects** - Australia and New Zealand Governments are funding the Police Housing projects for 2010. The Ministry confirmed that the NZ housing project will be funding 34 houses through RAMSI as supervisor and they comprises of:
 - 11 in Honiara
 - 11 in Tetere
 - 8 in Gizo
 - 4 in Auki

The NZAID and AusAID funded projects are supervised by RAMSI through SKM Contractor to be supervised in a most effective and efficient way.

- **Award of Contracts** – The Committee confirmed by the Auditor General that the awarding of contracts has been a main issue in the ministry that is subject to serious corrupt practices.
- **Prison Industry** - The committee was informed that the prison industry is purposely for rehabilitation of inmates to equip them with carpentry, farming and other essential skills. This covers for all provincial prison centres.
- **Fire Service** – The Committee was concerned about the ministry’s long term plan for new equipment and adequate site relocation for the Fire Service unit. PS confirmed to the Committee that there is not enough equipment especially at the Henderson airport. The current fire truck used at the airport is a gift from the Australian government. The funding is required for minor repairs to the existing fire trucks. For long term plan, the PS confirmed that they are recruiting a new Director for Fire Service who will well organize the need for the service.
- **Riot Equipment** - The Committee asked the PS, what sort of equipment is there for the riot response unit if there is any. The PS confirmed to the Committee that the ministry does not have any riot equipment. The equipments currently in use are properties of the PPFI. There is need for RSIPF to buy own riot equipment.
- **Border Security** – The Committee raised concerns over borders security, how often is the borders being patrolled. PS confirmed that the ministry is carrying out boarder security in very small scale. One of the patrol boats is in PNG for repair.

3.13 Head 284 Ministry of Provincial Governments and Institutional Strengthening

- **PGSP SIG Contribution** – The Ministry is satisfied with the restoration of the SIG contribution under the PGSP arrangements that would enable the Ministry to operate its programs in improving the provincial accounting systems in 2010.

- **Provincial Grant Allocation** – The Committee enquired about provincial grant allocation. In the past there was no rational base for allocation of Central Government grants to the Provinces. An equitable base is still been developed that will take into consideration factors such as population, economic productivity, distance, etc. When the new system of allocating grants to the provinces is developed the existing system will be gradually faced out. The Ministry noted with concern a reduction of \$1.0 million in the grants to Guadalcanal and Malaita Provinces. The budget for Choiseul Province showed a notable reduction demonstrating the removal of Tsunami related expenses as one-off items budgeted for in 2009.
- **Key Provincial positions omitted** – The Ministry raised a serious concern over the omitted key Provincial positions that are important for the implementation of PDCF planned activities and programs for 2010.
- **Provincial Premiers Conference issues** – The Committee enquired as to how the Provincial Premiers Communiqué is been taken into account in the Ministry budget. The Permanent Secretary advised that the Provincial Premiers Communiqué is produced after each Provincial Premiers Conference each year and submitted to Cabinet for deliberation.

3.14 Head 285 Lands, Housing and Survey

- **Adequate Budget for 2010** - The Permanent Secretary is satisfied with the budget allocation for 2010.
- **Land reforms** - May be a requirement to fill the Director Land Reform position which is currently vacant, if land reform is to continue.
- **Premiums on Estates** - \$819k to \$15 m. Ministry has a plan and believes it can collect this money. Ministry is introducing significant penalties for late payment or non-payment of rents.
- **Illegal Occupants** - Ministry has a list of who is living in Govt. houses who shouldn't be but does not have recourse required to take the legal action to evict them all.
- **Land Act Training** – The PS raised the need for new government recruits to be subject to training in understanding the Lands Act and procedures. Many

public officers, let alone officers of the Ministry seem to be ignorant of the Lands Act and procedures.

3.15 Head 286 Ministry of Development Planning and Aid Coordination

- **Budget focus on economic development** – Given the need to develop economic growth, the Committee expressed concern that the allocation of money and resources may not be achieving optimal results. The Committee was unable to determine the impact of these investment dollars in achieving the development of the economy in the medium to long term. The Committee suggested that the Ministry needs to be focused on facilitating economic growth in rural and agricultural development. Additionally, it was suggested that appropriate training and planning is required prior to the commencement of projects.

3.16 Head 287 Ministry of Culture and Tourism

- **Discrepancies on Budget Allocations** – The Permanent Secretary provided a briefing on budget lines that highlights the major development programs for the Ministry in 2010. There are some discrepancies in the budget lines. Nevertheless, the Ministry is happy with the budget allocation.
- **Heritage Center** – The Committee enquired as to the new heritage center why it does not appear in the development budget. The Committee further noted that there are vacant positions that include very senior positions. The Permanent Secretary advised that the Ministry of Finance and Treasury has advised the Ministry to provide information on how to administer the fund. Furthermore, the current halt of recruitment by the Ministry of Public Service the Ministry would not be able to recruit.
- **National Museum** – The Committee expressed concern on the poor state of the National Museum. The Permanent Secretary advised that National Museum has not been given any consideration in the budget. The National Museum needs strong political will to develop it into an institution that accommodates the rich diverse cultural heritage of the past, present and future generation. It should be an attractive, secured place of respect for the public and overseas visitors to visit and enjoy.

- **War Relics** – The Committee enquired as to what measures are in place that safe guard the war relics that are subject to illegal sales. The Permanent Secretary advised that the war relics are governed by the War Relics Act. Furthermore, the Ministry has one field officer monitoring war relics but this is not sufficient.

3.17 Head 288 Ministry of Commerce, Industry and Employment

- **Registry of Companies** – The Permanent Secretary provided a briefing on budget lines and highlighted that the registry of company will be transferred from the Ministry of Lands and Housing to the MCIE.
- **Revival of RIPEL** – The Committee enquired as to the revival of RIPEL. The Permanent Secretary advises that there is a task force under the Office of the Prime Minister looking into RIPEL. The Ministry is awaiting instructions from the Taskforce to act.
- **Bina Harbor Project** - The Committee noted the delay of implementing the Bina Harbor project. The Permanent Secretary advised that the delay is a request from the government to discuss the Terms of Reference of a Consultant to undertake a study on the feasibility of the project. The Committee was concerned that this project has been dragged too long. The Aluta Basin case involving misappropriation of allocated funds provides a good lesson to learn from.
- **Minimum legal wages** – The Committee enquired as to what is the minimum wage rate. The Permanent Secretary advised that the Ministry after consultation with all stakeholders fixed the minimum wage rate at \$4.00 per hour. This rate will be subject to review every two years.

3.18 Head 289 Ministry of Communication and Aviation

- **Auditor-General's Report** – The Committee enquired as to whether there has been any progress in implementing the recommendation of the Auditor-General's Reports on the Ministry. The Permanent Secretary advised that the Ministry is using the Auditor General's reports as bases for its action plans for reforms in the Ministry. He has advised that the Ministry needs a total overhaul of its work force, systems and operations in light of the audit

reports. This would be the way forward to improving the performance of the Ministry.

- **Civil Aviation Act** – The Committee enquired about the status of the Civil Aviation Act recently passed by Parliament. The Permanent Secretary advised that the Act has been gazetted but is yet to be properly structured to commence operation separately as a Statutory Authority. He advised of the need to engage a technical adviser for a 2 year period to prepare the Authority to commence operation on its own. He further advised of the need for the government to provide a subvention grant initially to enable the commencement of the operations of the Authority alone.
- **Civil Aviation Equipments** – The Committee enquired about the progress of the installation of an important equipment for aircraft navigation at the airport. The Permanent Secretary advised that the equipment is currently in construction in Australia and will be fully installed by April 2010. Another very important equipment, DVR - a homing device currently in operation, is under desperate need of repair.
- **Damage in Tarmac** -Damage in the tarmac in the apron of the airfield is still not repaired due to the technical layer structure required for its construction that needed designing by experts from Japan. This remains a serious issue for immediate attention.
- **Provincial airstrips** - The budgeted \$5.0 million for the planned upgrading of the provincial airstrips in 2010 may not be enough. Lata, Kirakira, Gizo and Munda airstrips with very rough surfaces, some with potholes, need immediate upgrading.

3.19 Head 290 Ministry of Fisheries and Marine Resources

- **Dolphin Programs** – The Committee enquired as to the difference between the dolphin program with the Ministry of Environment and Conservation. The Permanent Secretary advised that it is one program and the separate allocation reflects the different responsibility the two ministries have on dolphin program.
- **Tuna Factory** – The Committee enquired as to how far the Ministry has gone with the development of the two Fisheries projects at Suava Bay and Tenaru. The Permanent Secretary advised that the land acquisition process for the

Suava Bay project has been completed with possible registration in January 2010. The 2010 budget caters for site development preparations. The Tenaru land is crown land that needs sorting out the unauthorized private subdivision before the land is cleared for investment allocation.

- **Tuna Industry Development** – The Committee raised concern that the Ministry need to do more to develop the tuna lucrative industry. Solomon Islands is in the tuna belt but is not getting maximum returns on the tuna industry. The Permanent Secretary assured the Committee that the new Fisheries Act aims to maximize return from the tuna industry.
- **Pearl Farming** – The Committee enquired about the pearl farming. EU is providing funds for the pilot project into viability of pearl farming at Ngazutupe, Western Province. An investor in Australia is earmarked to develop the project.
- **PNA** – The Permanent Secretary advised that subscription payment for membership of PNA is important.

3.20 Head 291 Ministry of Public Service

- **843 Vacant posts** - The Committee is concern that there are 843 posts vacant in the SIG establishment structures that are not provided for in the budget. Many of the vacant positions are very important for the planned programs of the different ministries for 2010. While the Permanent Secretary explained that special cases with justifications can be accommodated the Committee is concerned about where the funding for the special cases is coming from. The Committee is concerned that coordination between MPS and other line ministries need to be improved. The Committee raised whether the Ministry has a criteria for assessing and granting approval for the special cases.
- **Possible new 15 CDO** –The Committee noted with concern the possibility of 15 new constituencies in 2010 and there associate costs such as another 15 CDO, respective members of Parliament costs not accommodated in the current budget. The Committee strongly opposed the idea as it is an abuse of budget process and inappropriate use of contingency warrant for foreseen future programs.

- **SIG Workforce** – The Committee raised a lot of concerns regarding the workforce in regards to:

Capacity building in terms of human resource development

Different schemes of service

Disciplinary procedures

Long term benefits

Codes of ethics

Political appointees

Size of the workforce

The Permanent Secretary assured the Committee some of the courses offered at IPAM are addressing some of the concerns raised. The Ministry has undertaken a survey of the Human Resource Management skills that will help with the assessment of availability, proper utilization and determination of needed skills. The Ministry has just launched a code of ethics for the public service that will guide the expected behavior of public officers.

3.21 **Head 292 Justice and Legal Affairs & Head 296 National Judiciary**

- **Legal services in provinces** - The Permanent Secretary advised that the provisions of appropriate legal infrastructure in the provinces were not possible with current funding levels. Aside from Court and Offices there was also a shortage of appropriate accommodation for judicial and legal staff. An effective, sound judiciary system is crucial for the country that should be taken as a priority by government.
- **Legal staff in the provinces.** The Committee asked whether it was possible to recruit suitably qualified legal and judicial staff in the provinces using the public sector pay levels. The Permanent Secretary indicated that attracting well qualified staff officers to take up posts in the provinces is a problem. Restricting them to work for the government after training with greener offers outside is not easy. The Ministry is currently liaising with the Ministry of Public Service to solve it.

- **LRC Chairman** – The post of Chairman of Law Reform Commission is still vacant after the appointment of the former holder to the Governor General post. It is being advertised.
- **Public Liquor Consumption** - The Committee is concerned that liquor consumption in public places seems an acceptable practice. There is apparent weakness in the enforcement of restrictive laws against liquor consumption in public places that needs improving.
- **Anti-Money Laundering** - The Ministry plans to send a team to defend the country on its status on Anti-money Laundering international requirements at a Plenary Meeting in Singapore in 2010.

3.22 Head 293 Ministry of Home Affairs.

- **National Election** - The Committee was concerned that budget constraints may impact upon the voter registration process for the general election and the Permanent Secretary advised that if they got access to the budgeted funding in good time the Ministry should be able to complete the voter registration process by mid-June.
- **Provincial Sports Grant** - The Committee was interested to know how the Ministry distributed this Grant. Last year this money was used to help Makira province to prepare for the Solomon Games. Because of misappropriation and other problems identified by Audit this was cut off at \$1 million. New arrangements have been put in place to ensure preparations could be completed.
- **Constituency Boundary Committee Expenses** - The Committee considered that most of the work of the CB Committee was complete. The Permanent Secretary advised that the work was not yet complete and the Ministry had not received a report so was not sure how far there was still to go so the expenses for the year had been included.
- **Sport Stadium Relocation** – The Committee raised concerns over the difficulty it may involve in the relocation of residents from the planned sports stadium site. PS confirmed that negotiations are underway with the 75 families that will be directly affected.

- **Casino default**- The Committee is concerned that Casinos are not meeting its terms and conditions for its operations continues to be given license each year to operate.

3.23 Head 294 National Unity, Reconciliation and Peace

- **Truth and Reconciliation Commission (TRC)** - The Permanent Secretary provided a briefing on its 2010 budget. The Permanent Secretary advised that the TRC is mandated by the Truth and Reconciliation Act and it has three component:
Truth seeking process
Reconciliation between perpetrators and victims
Hearing of complaints
- **Structure** – The structure of TRC is still to be developed to function fully. The Committee enquired as to what the Ministry expects TRC to achieve in 2010. The TRC is a national commission and the budget allocation reflects its major programs and task to undertake in 2010. The objective is not only to hear current situation cases but to develop strategies to prevent such happenings in the future. These tasks are difficult program to implement and it involves a lot of time, sensitivity, manpower and logistics.

Office Rent - The Committee enquired as to which office rentals are allocated in the budget. The Permanent Secretary advised that the rental allocations reflected in the budget includes the two office levels at Anthony Saru building, Gizo and Auki offices.

3.24 Head 295 Ministry of Mines, Energy and Rural Electrification

The Permanent Secretary raised the need for the government and people of Solomon Islands to give greater support for the mining industry as the future potential income earning investment for Solomon Islands.

- **Gold Ridge Mines** – The Permanent Secretary assured the Committee that better understanding of the land owners concerns and assisting them to understand the issues involved has a lot of positive impact on the Gold Ridge Mine operations and any mines operations for that matter. The committee feels that the money allocated for technical productivity

development, particularly the gold ridge mining project, is crucial for the development for diversifying and increasing the revenue base for the government. These are areas of delay on the Gold ridge operations:

- *Finance*
 - *Dewatering which was completed recently*
 - *Relocation of communities*
- **Tina Ridge Hydro** – A similar approach in ensuring landowners understand that issues and effects of the Tina River Hydro project will impact positively on the project. Tina Hydro if successful will solve a lot of the current unreliability in the supply of electricity by SIEA.
 - **Landowner Issues** -The Permanent Secretary agrees and feels that the issue of land ownership, particularly for activities related to both water resources management and mining, is crucial to resolve to achieve optimal development. In addition, the Permanent Secretary requires an undersecretary to support his management team.

3.26 Head 297 Ministry of Women, Youth & Children's Affairs.

- **Development of Youth Talent** – The Committee noted the potential and talented youths as demonstrated in the musical Solo Icon competitions in the recent years. The Committee emphasizes that the Ministry effectively carry out programs that would make the youths realize their talents. The Ministry officials commented highly of talented musicians in the country who are able to attract and signed recording contracts with international promoters.
- **Issues on Women and Children** – The Committee enquired as to how effective the Ministry has addressed the issues of violence against women and children. The Permanent Secretary advised that the Ministry has developed a policy especially on violence against women.
- **Donor Funding** - Bilateral Aid assistance to the Ministry is impacting positively on children in communities in the country.

3.27 Head 298 Ministry of Rural Development and Indigenous Affairs

- **Development Budget of the Ministry.** The Committee supports the increase in development budget for the Ministry, but continues to encourage the Ministry to remain vigilant in its monitoring of development funds such as RCDF, Millennium and Rural Livelihood. In addition, the Committee is concerned about the Ministries expertise in operating the Rural Fishing Development Grant, recently transferred From the Ministry of Fisheries.

3.28 Head 299 Ministry of Environment, Conservation, & Meteorology.

- *Dolphin export* – Applications for dolphin sales continue. The Committee is concerned that officials do not seem to know the prices and revenue earned from dolphin sales. The long term sustainability of the dolphin stock was not revealed to the Committee. The budget provides for a dolphin survey of the bottle nose type dolphins only, the specific species international aquariums are after. The survey would enable the development of a policy on the specific species. This particular dolphin species do not swim across oceans but are confined to their territorial areas. There is danger of this particular dolphin species depleting fast. Officials revealed that the current \$250,000 budget allocation for dolphin survey operation is insufficient.
- *Climate Change* – Many parts of the country are vulnerable to climate change risks. National Adaptation Program of Action helps provide funds to vulnerable communities in their preparation to move to new sites for community establishment in the risk of rising waters. A pilot project to study effects of climate change will be undertaken on selected areas such as Lord Howe, Sikaiana Island and Reef Islands. The Committee is concerned with the limited coverage.
- *Environment* – The Committee is concern that the Ministry is not doing enough to address environmental issues. Vigorous coordination strategies must be put in place to get other line ministries to be responsible for environment protection provided for under their respective Acts and regulations. Plastic disposal, for example, is a serious environment hazardous concern for immediate address.

- **Project** – Most MET provincial centers development projects were adversely affected by infrastructure difficulties. Paper work for the tendering of the National Forecasting Centre is currently done by MID



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Minutes No. 1

Friday 27 November, 2009. Conference Room No: 2, Parliament House, 10:30 am

1. Members Present

Hon. Francis Zama, MP (Chair)
Hon. Peter Boyers, MP
Hon. Manasseh Sogavare, MP
Hon. Peter Shannel, MP

Absent

Hon. Trevor Olavae, MP
Hon. Mark Kemakeza, MP
Mr. Edward Ronia, Secretary to PAC

Secretariat

Ms. Alice Willy, Clerk to PAC
Ms. Emily Kupenga, Committee Secretariat
Mr. Boniface Supa, Committee Secretariat

2. Welcome and Prayers

The Chair welcomed the Committee members and officials.

3. Briefing from Secretariat

Documents tabled

Committee members were provided with copies of;

- **Solomon Islands Government 2010 Draft Recurrent Estimates**
- **Solomon Islands Government Draft 2010 Development Estimates**

- **The 2010 Appropriation Bill 2009**
- **2009 Supplementary Appropriation (N0.2) Bill 2009**

The clerk to Inquiry informed the Committee that the Auditor General, the Secretary to PAC is currently in Gizo on a workshop thus, not in attendance today.

The clerk to Inquiry briefed the committee on tentative PAC hearing schedule for next week.

4 Resolution of Committee on the proposed hearing schedule

The committee agreed that;

- daily hearings begin at 9:30am
- officers from the Central Bank be invited for the first hearing on Monday
- all ministries and government department attend the hearings
- Invitations are given to respective ministers to attend alongside their PS's and officials in the PAC hearings.
- '2009 Supplementary Appropriation (N0.2) Bill 2009' and 'The 2010 Appropriation Bill 2009' be heard in one hearing , but shall come in two separate reports.

5. Close

Hon. Peter Agovaka said the closing prayer and the meeting closes at 11:30am.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 2

Monday 30 November 2009, Parliament House, 10:15am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Denton Rarawa, Governor – Central Bank of Solomon Islands

Secretariat

Mr. Peter Johnson, (Secretary) Acting Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

In-Attendance

Mr. Ben Mendo, Under Secretary (Establishment), Public Service
Ms. Janny Bently, Hansard, National Parliament Office

2. Inquiry into the 2010 Budget Estimates

The Governor of the Central Bank of Solomon Islands appeared before the Committee.

The Chair welcomed the Governor to brief the committee on the economic performance of the Country. The Committee questioned the Governor of the Central Bank of Solomon Islands.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 11:15am until 11:20 am.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 3

Monday 30 November 2009, Parliament House, 11:25am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Sharach Fanega, Permanent Secretary – Ministry of Finance & Treasury
Ms. Elizabeth Kausimae, under secretary - Finance
Mr. Mark Wiggling, under secretary -
Mr. Andrew Minto, Commissioner of In Land Revenue
Mr. George Tapo, Deputy Commissioner of In land Revenue (Ag)
Mr. Donna Hargreaves – Accountant General (Ag)
Mr. Denty Tuke, Deputy Accountant General (Ag)
Mr. Nathan Kama, Controller Customs
Mr. Andrew Idute'e, Director Budget Unit

Secretariat

Mr. Peter Johnson, (Secretary) Acting Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

In-Attendance

Mr. Ben Mendo, Under Secretary (Establishment), Public Service
Ms. Janny Bently, Hansard, National Parliament Office

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Finance and Treasury appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.
The Committee questioned the PS and his Officials.
Evidence concluded.
The Committee deliberated.

3. Close

Committee adjourned at 12:45am until 1:30 pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 4

Monday 30 November 2009, Parliament House, 1:40pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Ms. Jane Waetara, Permanent Secretary – Ministry of Development Planning and Aid Coordination
Mr. Allen Daonga, Under Secretary - MDPAC
Ms. Lyn Legua, MDPAC

Secretariat

Mr. Peter Johnson, (Secretary) Acting Auditor General
Mr. Noel Matea, Committee Secretariat

In-Attendance

Mr. Andrew Idute'e, Director Budget Unit
Ms. Janny Bently, Hansard, National Parliament Office

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and her officials of the Ministry of Development Planning and Aid Coordination appeared before the Committee. The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget. The Committee questioned the PS and her Officials. Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 3:10pm until 3:15pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 5

Monday 30 November 2009, Parliament House, 3:15pm

1. Members Present

Hon. Francis Zama (Chair) MP

Hon. Manasseh Sogavare MP

Hon. Peter Boyers, MP

Hon. Peter Shannel Agovaka, MP

Hon. Mark Kemakeza, MP

Witnesses

Mr. Clezy Rore, Under Secretary – Ministry of Rural Development

Mr. Dick Anasimae, Chief Accountant - Ministry of Rural Development

Secretariat

Mr. Peter Johnson, (Secretary) Acting Auditor General

Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The Under Secretary and his official of the Ministry of Rural Development appeared before the Committee.

The Chair welcomed the Under Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Under Secretary and his Official.

Evidence concluded.

The Committee deliberated.

3. Close

Committee suspend at 4:15pm until 4:20pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 6

Monday 30 November 2009, Parliament House, 4:20pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Edward Kingmele, Permanent Secretary – Ministry of Agriculture and Livestock
Mr. John Horunari, Under Secretary (Technical), MAL
Alfred Maesulia, Under Secretary (Administration), MAL
Mr. Billy Toate'pe, Chief Accountant, MAL
Dr. Rovindra Joshi, Advisor, MAL
Ms. Jacquelyn Qaloboe, Human Resources Manager, MAL

Secretariat

Mr. Peter Johnson, (Secretary) Acting Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Agriculture and Livestock appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- Ministry of Agriculture and Livestock Corporate Plan 2009 – 2010

- National Agriculture and Livestock Sector Policy 2009 – 2014
- National Rural Development Programme Annual Report 2008
- Local Vegetable Food “Kakai” Recipes in Solomon Islands

The Committee questioned the Permanent Secretary and his Officials.
Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 5:35pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 7

Tuesday 1 December 2009, Parliament House, 9:40am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP
Hon. Trevor Olavae, MP

Witnesses

Mr. Ishmael Avui, Permanent Secretary – Ministry of Public Service
Mr. Elda Wate, Chief Accountant
Mr. Luke Mua, Undersecretary/ Strategic Policy
Mr. Walter.H. Rhein, Policy Advisor

Secretariat

Mr. Edward Ronia, (Secretary) Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Public Service appeared before the Committee.

The Chair welcomed the Permanent Secretary and asked him to brief the committee on the Ministry's Budget.

The Committee questioned the PS and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 11:00 am until 11:15am



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 8

Tuesday 1 December 2009, Parliament House, 11:40am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP
Hon. Trevor Olavae, MP

Witnesses

Mrs. Taeasi Sanga, Clerk to Parliament
Mrs. Florence Naesol, Deputy Clerk to Parliament
Mr. Henry Baeoro, Chief Accountant Officer

Secretariat

Mr. Edward Ronia, (Secretary) Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the 2010 Budget Estimates

The Clerk to Parliament and her officials of the National Parliament appeared before the Committee.

The Chair welcomed the Clerk to Parliament and asked her to brief the committee on the Parliament's Budget.

The Committee questioned the Clerk and her Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 12:30 pm until 1:30pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 9

Tuesday, 1 December 2009, Parliament House, 1:30pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Jeremy Manele, Secretary to Prime Minister, Office of the Prime Minister and Cabinet
Dr. Fred R. Isom, Permanent Secretary – Constitutional Reform Unit, OPMC
Ms. Modesta Namokari, Chief Accountant, OPMC
Mr. Sam Fulaburi, Director – CRU, OPMC

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The Secretary to the Prime Minister and his officials of the Office of the Prime Minister and Cabinet appeared before the Committee. The Chair welcomed the Secretary to the Prime Minister to brief the committee on the Ministry's Budget.

The Committee questioned the SPM and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 2:15pm until 2:18pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 10

Tuesday 1 December 2009, Parliament House, 2:18pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Obed Sika, Permanent Secretary – Supervising, Ministry of Environment, Conservation and Meteorology
Mr. Joe Horokou, Director Environment, MECM
Mr. David Hiriasia, Director Meteorology, MECM
Mr. Rex Mewa, Chief Accountant, MECM

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary (supervising) and his officials of the Ministry of Environment, Conservation and Meteorology appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 3:13pm until 3:18pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 11

Tuesday, 1 November 2009, Parliament House, 3:18pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Boyers, MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Senda Fifi, Permanent Secretary, MFAET
Mr. Sam, Chief Accountant, MFAET
Ms. Margaret Qoloni – Etua, Human Resource Manager, MFAET

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Foreign Affairs, External Trade and Immigration appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- 2010 Development Budget Explanatory Notes
- 2010 Recurrent Budget Explanatory Notes
- 2010 Establishment and Manpower Explanatory Notes

The Committee questioned the Permanent Secretary and his Officials. Evidence concluded. The Committee deliberated.

3. Close

Committee adjourns at 4:15pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceeding

Minutes No. 12

Wednesday, 2 December 2009. Conference Room No: 2, Parliament House, 9:40 am

1. Members Present

Hon. Francis Zama, MP (Chair)

Hon. Manasseh Sogavare, MP

Hon. Peter Shannel, MP

Absent

Hon. Trevor Olavae, MP

Hon. Mark Kemakeza, MP

Hon. Peter Boyers, MP

Secretariat

Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Welcome

The Chair welcomed the Committee members.

3. Briefing from Secretariat

The Secretariat informed the Committee that the Ministry of Justice would like to swap with the Ministry of Forestry to appear at the 9:30am schedule as the Registrar of the High Court will catch a flight by 12:00 to Gizo.

The second issue is Solomon Islands Chamber of Commerce has written to the Chair requesting to appear before the Committee on the issue of taxation.

4. Resolution of Committee

The committee resolved and agreed that;

- The Ministry of Justice and Legal Affairs can appear before the Committee at 9:50 am due to the urgency of their case.
- The Secretariat inform the Solomon Islands Chamber of Commerce to appear on Thursday, 3 December 2009, at 9:00am

5. Close

The meeting closes at 9:50am.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 13

Wednesday 2 December 2009, Parliament House, 9:55am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP
Hon. Trevor Olavae, MP

Witnesses

Mr. James Remobatu, Permanent Secretary, Ministry of Justice and Legal Affairs
Mr. Levi Kelly, Acting Registrar, High Court
Mr. Nilton Chite, Undersecretary
Mr. Mark Kamoia, Chief Accounting Officer
Mr. Charles Koroni, CIO
Mr. Maima Taeburi, Chief Accountant
Ms. Lynette Tora, Chief Accounting Officer

Secretariat

Mr. Edward Ronia, Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Justice and Legal Affairs appeared before the Committee.

The Chair welcomed the Permanent Secretary and invited him to brief the committee on the Ministry's Budget.

The Permanent Secretary and the Acting Registrar tabled the following documents:

- Ministry of Justice and Legal Affairs written submission to the Public Accounts Committee
- National Judiciary written Submission to the Public Accounts Committee

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee suspends at 11:15am for 11:30am



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 14

Wednesday 2 December 2009, Parliament House, 11:30am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Gordon Konaramo, Permanent Secretary, Ministry of Forestry & Research
Mr. Patteson Devi, Chief Accountant
Mr. Julius Houria, Chief Forester
Mr. Richard Raomae, Director - Reforestation

Secretariat

Mr. Edward Ronia, Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Forestry and Research appeared before the Committee.

The Chair welcomed the Permanent Secretary and invited him to brief the committee on the Ministry's Budget.

The Permanent Secretary presented his statement on the Budget.

The Committee questioned the Permanent Secretary and his Officials. Evidence concluded. The Committee deliberated.

3. Close

Committee adjourns at 12:40pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 15

Wednesday 2 December 2009, Parliament House, 11:40am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Edward Ronia, Auditor General
Mr. Peter Johnson, Deputy Auditor General
Mrs. Joyce Mesipitu, Accountant

Secretariat

Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the 2010 Budget Estimates

The Auditor General and his officials of the Auditor General's Office appeared before the Committee.

The Chair welcomed the Auditor General and invited him to brief the committee on the Office's Budget.

The Auditor General presented his statement on the Budget.

The Committee questioned the Auditor General.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourns at 1:05pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 16

Wednesday, 2 December 2009, Parliament House, 2:16pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Mr. John Ta'aru, Permanent Secretary, Ministry of Infrastructure & Development
Mr. Aliku Ma'aKu, Director – Architect
Mr. Benjamin Manau, Chief Accountant
Ms. Nancy Pita, Human Resource Manager

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Infrastructure and Development 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Infrastructure and Development appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded.

The Committee deliberated.

3. Close

Committee suspends at 3:18pm until 3:23pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 17

Wednesday 2 December 2009, Parliament House, 3:23pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Mr. Jeffrey Wickham, Permanent Secretary, Ministry of Communication & Aviation
Mr. John Kabolo, Financial Controller
Mr. George H Leo, Human Resources Officer
Mr. Alfred Pita'a, Chief Air Traffic Officer
Mr. Brian Halisanau, Senior Civil Aviation
Ms. Olive Gina, Principal Admin Officer

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Communication and Aviation 2010 Budget Estimates.

The Permanent Secretary and his officials of the Ministry of Communication and Aviation appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- Statement by Permanent Secretary, Mr. Jeffrey Wickham
- Establishment and Manpower Budgeting

The Committee questioned the Permanent Secretary and his Officials. Evidence concluded. The Committee deliberated.

3. Close

Committee suspend at 4:17pm until 4:20pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 18

Wednesday, 2 December 2009, Parliament House, 4:20pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Ms. Mylyn Kuve, Permanent Secretary, Ministry of Education and Human Resources Development
Mr. Tim Ngele, Under Secretary of Administration
Mr. Thomas Misibini, Financial Controller
Mr. John Wate, CEO/Teaching Service
Mr. Chris Mae, CAO/TSD Establishment

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Education and Human Resource Development 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Education and Human Resource Development appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- National Education Action Plan 2010 – 2012 of the MEHRD

The Committee questioned the Permanent Secretary and her Officials.
Evidence concluded. The Committee deliberated.

3. Close

Committee suspends at 5:02pm until 5:05pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 19

Wednesday, 2 December 2009, Parliament House, 5:05pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Mr. Evans Tuhagenga, Under Secretary, Ministry of Women, Youth and Children Affairs
Ms. Salome Ramo, Human Resources Officer

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Women, Youth and Children Affairs 2010 Budget Estimates

The Under Secretary and his official of the Ministry of Women, Youth and Children Affairs appeared before the Committee.

The Chair welcomed the Under Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- MWYCA Presentation of 2010 Budget Estimates
- SIG Recurrent Estimates 2010 Explanatory Notes

The Committee questioned the Under Secretary and his Official.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 5:28pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 20

Thursday, 3 December 2009, Parliament House, 9:34am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Peter Tam, Chairman, ASIM
Mr. Calvin Ziru, Chief Executive Officer, SICCI
Mr. David Iro, Vice Chair, ASIM
Mr. John Taisia, Member, ASIM
Ms. Lily Lomulo, Secretary, ASIM

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the 2010 Budget Estimates

The officials from the Association of Solomon Islands Manufacturers and Solomon Islands Chamber of Commerce and Industry appeared before the Committee.

The Chair welcomed the officials from the Association of Solomon Islands Manufacturers and Solomon Islands Chamber of Commerce and Industry appeared before the Committee.

The Chair of the ASIM tabled the following document:

- Brief report on the Association of Solomon Islands Manufacturers

The Committee questioned the officials from the Association of Solomon Islands Manufacturers and Solomon Islands Chamber of Commerce and Industry appeared before the Committee.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 9:45am



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 21

Thursday, 3 December 2009, Parliament House, 9:34am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Henry Pika, Permanent Secretary, Ministry of Police, National Security & Correctional Services
Mr. Ronald Unusi, Permanent Secretary (Special Duties) Police Housing Project
Mr. Jeffery Scott Kauha, under secretary for Police
Ms. Emily Teaitala, Undersecretary/Correctional Services
Mr. Ben Skaines, PPF Advisor Finance
Mr. Charles Tuwo, Principal Accountant
Mr. Paul Kapakeni, Principal Accountant

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Police, National Security and Correctional Services 2010 Budget Estimates

The Permanent Secretary and his official of the Police, National Security and Correctional Services appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 12:35pm



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 22

Thursday, 3 December 2009, Parliament House, 1:20pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. John Tuhaika, Permanent Secretary, Ministry of Provincial Government
Mr. James Taeburi, Director Finance
Mr. David Hamilton, Chief Technical
Mr. Juliano Bosi, Advisor Governance
Ms. Lindina Kopana, Principal Accountant
Ms. Agnes Gaotee, Human Resources Manager

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Provincial Government 2010 Budget Estimates

The Permanent Secretary and his official of the Provincial Government appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following document:

- Phased Introduction of a Revised Fiscal Transfer System

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 2:20pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 23

Thursday, 3 December 2009, Parliament House, 2:28pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Ms Joy Kere, Permanent Secretary, Ministry of Unity, Reconciliation & Peace
Ms. J S Kuali, Chief Accountant, Truth and Reconciliation
Mr. Bob Ramo, Chief Accountant, Ministry of Unity, Reconciliation & Peace

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of National Unity, Reconciliation and Peace 2010 Budget Estimates

The Permanent Secretary and his official of the Unity, Reconciliation & Peace appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following document:

- Umi tugeda go fo Peace: Reconciliation and Healing for Kandere blo iumi, Solomon Islands

The Committee questioned the Permanent Secretary and her Officials.
Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 3:01pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 24

Thursday, 3 December 2009, Parliament House, 3:03pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Dr. Christian Ramofafia, Permanent Secretary, Ministry of Fisheries & Marine Resources
Mr. Alick Misibini

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Fisheries and Marine Resources 2010 Budget Estimates

The Permanent Secretary and his official of the Fisheries & Marine Resources appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Official.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 3:43pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 25

Thursday, 3 December 2009, Parliament House, 3:44pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Mr. Luke Eta, Permanent Secretary, Ministry of Culture & Tourism
Mr. James Osi, Chief Accountant
Mr. Charles Roni, Human Resources Manager

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Culture & Tourism 2010 Budget Estimates

The Permanent Secretary and his official of the Culture & Tourism appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following documents:

- Explanatory notes on Development Focus
- Solomon Islands Tourism Programs

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 4:18pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 26

Thursday, 3 December 2009, Parliament House, 4:31pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP

Witnesses

Mr. Barnabas Anga, Permanent Secretary, Ministry of Commerce, Industry & Employment
Mr. J.S.Deve, Director, Immigration
Mr. Josiah Manehia, Commissioner of Labour
Ms. Gwen Koke, Chief Accountant

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Committee Secretariat

2. Inquiry into the Ministry of Commerce, Industry and Employment 2010 Budget Estimates

The Permanent Secretary and his official of the Commerce, Industry & Employment appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 7:26pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 27

Friday, 4 December 2009, Parliament House, 9:40am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Dr. Lester Ross, Permanent Secretary, Ministry of Health & Medical Services
Mr. Stephen Maesulia, under secretary – Administration & Finance
Ms. Cate Keane, Financial Management Advisor
Mr. Abraham Namokari, Director Policy
Mr. Sam Susuarara, USAC
Mr. Douglas Ete, Chief Executive Officer
Mr. Amos Lapo, Director Nursing/PHC

Secretariat

Mr. Edward Ronia, Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the Ministry of Health & Medical Services 2010 Budget Estimates

The Permanent Secretary and his official of the Health & Medical Services appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his Officials.

Evidence concluded. The Committee deliberated.

3. Close

Committee adjourned at 11:50am.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 28

Friday, 4 December 2009, Parliament House, 11:55am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP
Hon. Mark Kemakeza, MP

Witnesses

Mr. Nigel Maezama, Private Secretary, Office of the Governor General
Ms. Connie Tehe, Senior Accountant

Secretariat

Mr. Edward Ronia, Auditor General
Ms. Alice Willy, Committee Secretariat, Clerk to PAC

2. Inquiry into the Office of the Governor General 2010 Budget Estimates

The Private Secretary and his official of the Office of the Governor General appeared before the Committee.

The Chair welcomed the Private Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Private Secretary and his Official.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 12:15am.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 29

Friday, 4 December 2009, Parliament House, 1:55pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP

Witnesses

Mr. Luma Darcy, Permanent Secretary, Ministry of Mines, Energy and Rural Electrification
Ms. Doreen Kulu, Assistant Chief Accountant Officer

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Clerk to Committee

2. Inquiry into the Ministry of Mines, Energy and Rural Electrification 2010 Budget Estimates

The Permanent Secretary and his official of the Ministry of Mines, Energy and Rural Electrification appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Permanent Secretary tabled the following document:

- Ministry of Mines, Energy and Rural Electrification Work Plan for 2010

The Committee questioned the Permanent Secretary and his Official.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 2:54pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 30

Friday, 4 December 2009, Parliament House, 3:00pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP

Witnesses

Ms. Ruth Liloquila, Permanent Secretary, Ministry of Lands, Housing & Survey
Mr. Charles Afia, Human Resources Manager
Ms. Beverly Maezama, Chief Accountant

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Clerk to Committee

2. Inquiry into the Ministry of Lands, Housing & Survey 2010 Budget Estimates

The Permanent Secretary and his official of the Ministry of Lands, Housing & Survey appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and her officials.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 4:00pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 31

Friday, 4 December 2009, Parliament House, 4:05pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP

Witnesses

Mr. Fred Fakarii, Permanent Secretary, Ministry of Home Affairs
Mr. John Fote'e, Undersecretary Technical
Mr. Godwin Fagatea, Chief Accountant

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Clerk to Committee

2. Inquiry into the Ministry of Home Affairs 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Home Affairs appeared before the Committee.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Budget.

The Committee questioned the Permanent Secretary and his officials.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 5:04pm.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 32

Friday, 4 December 2009, Parliament House, 4:05pm

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Manasseh Sogavare MP
Hon. Peter Shannel Agovaka, MP
Hon. Peter Boyers, MP

Witnesses

Mr. Sharach Fanega, Permanent Secretary – Ministry of Finance & Treasury
Ms. Merlyn Kodoleke, Director, Budget, Ministry of Finance & Treasury
Mr. Mark Wiggings, Under Secretary - Advisor

In – Attendance

Ms. Jane Waitara, Permanent Secretary, Ministry of Planning & Development

Secretariat

Mr. Edward Ronia, Auditor General
Mr. Noel Matea, Clerk to Committee

2. Inquiry into Ministry of Finance & Treasury 2010 Budget Estimates

The Permanent Secretary and his officials of the Ministry of Finance & Treasury and the Permanent Secretary of Planning and Development appeared before the Committee again for the conclusion of the Hearings.

The Committee questioned the Permanent Secretaries and the officials from the Ministry of Finance and Treasury.

Evidence concluded.

The Committee deliberated.

3. Close

Committee adjourned at 6:10pm.