National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

Report on the 2021 Supplementary Appropriation Bill 2021

(No. 6 of 2021)

NP-Paper No. 18/2021

Presented on 28 September 2021

National Parliament Office
Committee Membership

The members of the Public Accounts Committee (11th Parliament) are:

Hon. Douglas Ete, MP, Chairman
Hon. Matthew C. Wale, MP
Hon. John D. Kuku, MP
Hon. Rick N. Houenipwela, MP
Hon. Lilly Maefai, MP
Hon. John Maneniaru, MP
Hon. Alfred Efona, MP
Hon. Ethel Lency, MP
Hon. Commins Mewa, MP

Secretary: Ms Rachel McKechnie, Deputy Auditor General
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Chair's Foreword

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the 2021 Supplementary Appropriation Bill 2021 (No.6 of 2021) for laying before Parliament.

Honourable Douglas Ete, MP
Chairman
Public Accounts Committee

28 September 2021
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Executive Summary

The Public Accounts Committee ("the Committee") completed its examination of the 2021 Supplementary Appropriation Bill 2021 (No.6 of 2021) from the 15 to 21 September and 83 witnesses appeared before the Committee.

The Bill seeks to appropriate an additional $428,362,899 from the Consolidated Fund for the service of the financial year ending 31 December 2021. It seeks to regularize Contingency Warrants of $4,483,247, Advance Warrants of $329,431,261, and $94,448,391 additional expenditures for the services in the year ended 31st December, 2021.

During the inquiry, the Committee found that some ministries were unaware that they have supplementary budget bids in the Bill, and therefore, were unaware as well as to what purpose the additional monies were for. The Committee calls on the Budget Unit of the Ministry of Finance and Treasury to have a robust consultation process in place to ensure proper consultations with all line ministries and statutory bodies is inclusive.

The Committee makes a total of twelve (12) recommendations to the Solomon Islands Government:

The Committee makes the following recommendations:

Recommendation 1


Recommendation 2

The Budget Unit within the Ministry of Finance and Treasury ensure effective communication and consultation occurs before submitting the Bill to Parliament.

The Committee was concerned that the following recommendation was identified through the following ministries:

i. Ministry of Agriculture and Livestock Development

ii. Ministry of Education Human Resource Development

iii. Ministry of Health and Medical Services

iv. Ministry of Fisheries and Marine Resources

v. Ministry of Public Service
Recommendation 3

All Ministries, led by the Ministry of Finance and Treasury, ensure outstanding bills are captured to better inform appropriate budget levels in subsequent years.

Recommendation 4

Adequate allocation should be made for known recurrent budgets in the original budget.

Recommendation 5

That where utility bills continue to increase beyond budgets, the Ministry of Finance and Treasury should engage with these providers to negotiate more affordable contracts for the government.

Recommendation 6

The Central Bank of Solomon Islands identifies an effective tool to provide useful employment data and determine accurate forecast.

Recommendation 7

The Central Bank formulate an interest rate policy as part of its monetary policy tools with a view to ensuring affordability of finance in the economy.

Recommendation 8

The Ministry of Foreign Affairs and External Trade collect the necessary data on exports to enable their effective monitoring and trade negotiations.

Recommendation 9

The Ministry of Health and Medical Services implements actions to stop the unofficial use of phones leading to these increases in budget.
Recommendation 10

The Ministry of Police, National Security and Correctional Services consult with Ministry of Public Service to free qualified police officers to return to the front line and away from administrative tasks.

Recommendation 11

The lifting of the ban on the harvest of beche-de-mer should be based on scientific data. The Ministry of Fisheries and Marine Resources should publish a scientific advisory on this data.

Recommendation 12

The Ministry of Home Affairs collaborate with the Ministry of Finance, Division of Statistics and the Ministry of Health and Medical Services to develop a plan to improve registrations of births and deaths to 100% including any systems underlying this that are needed to enable appropriate support and donor engagement in the future.
Chapter 1: Introduction

This Chapter provides an introduction to the Inquiry including information on the Public Accounts Committee (PAC) and the inquiry process.

Overview

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

1.2 The 2021 Supplementary Appropriation Bill 2021 was received by the Speaker and certified on Monday 6 September, 2021. The Committee began its deliberations from 7 to 14 September, and held public hearings from 15th to 21st September to examine the Bill that seeks to appropriate an additional $428,362,899 to the service of the year ending 31 December 2021.

1.3 In compliance with the Standing Orders, this Report has been prepared for the information of Members of Parliament to assist them in their debate on the Bill. It aims to draw the attention of the Members of Parliament on the Committee's findings and recommendations after the conclusion of its detailed examination of the Bill.

1.4 The Committee considered evidence provided by government ministries, statutory bodies, and the Central Bank of Solomon Islands and sought advice from the Office of the Auditor General.

1.5 This Report outlines the findings of the Committee's examination of the Bill that comprises the Contingency Warrants (CWs), Advance Warrants, Variation in Appropriations, and Additional Supplementary Expenditure for both the Recurrent and the Development Expenditures.

1.6 The Permanent Secretaries (PSs), Deputy Secretaries (DSs) and senior officials of various ministries who came before the Committee provided valuable information. The Committee also benefited immensely from the Office of the Auditor General. The Central
Bank of Solomon Islands (CBSI) and the Ministry of Finance and Treasury provided insight and projection of economic performance for 2020 and 2021.

**Inquiry Process**

1.7 In accordance with its mandate under Standing Orders 69 of the National Parliament, the Committee resolved at its meeting on 14 September, 2021 to commence the examination of the Bill from 15 to 21 September 2021. The full terms of reference are included on the Appendices of this report.

1.8 The inquiry process included inviting key financial institution and government ministries to make written submissions and appearing at public hearings.

1.9 The Committee examined 20 government agencies, including statutory bodies, and received 19 submissions. A list of submissions can be found at the Appendices of this report and copies of the submissions are available at the Committee Secretariat.

1.10 Transcripts of the hearings are available at Hansard.

1.11 Minutes of the hearing can be found in the Appendices of this report.
Chapter 2 - Background Information

This chapter outlines the brief background of the 2021 Supplementary Appropriation Bill 2021 (No.6 of 2021).

2.1 The Bill seeks to appropriate an additional $428,362,899 for the service of the year ending 31 December 2021, which includes $4,483,247 for Contingency Warrants, $329,431,261 for Advance Warrants and $94,448,391 additional expenditures for the services in the year ended 31st December, 2021.

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTINGENCY WARRANTS - RECURRENT</td>
<td>2,733,247</td>
</tr>
<tr>
<td>CONTINGENCY WARRANTS - DEVELOPMENT</td>
<td>1,750,000</td>
</tr>
<tr>
<td>ADVANCE WARRANTS - RECURRENT</td>
<td>329,431,261</td>
</tr>
<tr>
<td>ADDITIONAL SUPPLEMENTARY - RECURRENT EXPENDITURES</td>
<td>54,948,391</td>
</tr>
<tr>
<td>ADDITIONAL SUPPLEMENTARY - DEVELOPMENT EXPENDITURES</td>
<td>39,500,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATED EXPENDITURES</td>
<td>$428,362,899</td>
</tr>
</tbody>
</table>

**CONTINGENCIES WARRANTS**

<table>
<thead>
<tr>
<th>RECURRENT</th>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>279</td>
<td>National Parliament of Solomon Islands</td>
<td>2,733,247</td>
<td>Provincial inquiry into the Public Health Emergency Bill 2021 and cost to upgrade the chamber sound system for the National Parliament of Solomon Islands.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Recurrent Contingency Warrants</td>
<td>2,733,247</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEVELOPMENT</th>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>483</td>
<td>Ministry of Police, National Security and Correctional Services</td>
<td>1,750,000</td>
<td>First instalment payment to FAMOA Trust Board for the purchase of Lofung land in Shortland Island at the Western border for Patrol Boat Outpost for Ministry of Police, National security and Correctional Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Development Contingency Warrants</td>
<td>1,750,000</td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL CW | 4,483,247 |

Public Accounts Committee Report: September 2021
### ADVANCE WARRANTS

<table>
<thead>
<tr>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>368</td>
<td>Solomon Islands Electoral Office</td>
<td>3,640,351</td>
<td>Budget Support funded by Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) General Budget Support to cater for by-elections of South Choiseul Constituency and other provincial bye-election in 2021.</td>
</tr>
<tr>
<td>371</td>
<td>Office of the Auditor General</td>
<td>180,123</td>
<td>MFAT Budget Support towards Public Accounts Committee (PAC) assistance and support intern graduates for 6 months. Also support towards communication equipment of office operations.</td>
</tr>
<tr>
<td>372</td>
<td>Ministry of Education and Human Resources Development</td>
<td>59,942,135</td>
<td>ADB, DFAT and MFAT collective Budget Support to support Curriculum Development Unit and Asset Management Unit. Support towards school grants and education related activities. Also support towards 15 soccer boys stranded in UK for repatriation payments and also for the short-fall payments to Solomon Airlines for the commercial flights to Manila.</td>
</tr>
<tr>
<td>373</td>
<td>Ministry of Finance and Treasury</td>
<td>55,064,752</td>
<td>DFAT, MFAT, and ADB collective Budget Support towards Customs and Excise Division's outstanding office rental to Tongs Company, costs of recruiting new graduates for Customs and Excise and IRD. Also support to repatriation of SIG students in Philippines, AX System upgrade and for the recapitalization of SOEs namely Solomon Water and Solomon Airlines.</td>
</tr>
<tr>
<td>374</td>
<td>Ministry of Foreign Affairs and External trade</td>
<td>784,929</td>
<td>PRC Budget Support payment of 2 tractors in support to the project, Solomon Islands Enhancing capacities for Agriculture Trade.</td>
</tr>
<tr>
<td>376</td>
<td>Ministry of Health and Medical Services</td>
<td>59,650,319</td>
<td>DFAT, MFAT, PRC, SIG COVID 19 Domestic Bond and ADB Grant towards</td>
</tr>
<tr>
<td>#</td>
<td>Ministry</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>377</td>
<td>Ministry of Infrastructure Development</td>
<td>7,563,258</td>
<td>ADB COVID-19 grant towards infrastructure improvements at quarantine sites at the Western border and subsidy payment to shipping services to uneconomical zones.</td>
</tr>
<tr>
<td>379</td>
<td>National Parliament of Solomon Islands</td>
<td>513,197</td>
<td>Funded by UNDP to implement on its pacific parliamentary effectiveness initiatives project 2021.</td>
</tr>
<tr>
<td>381</td>
<td>Office of the Prime Minister and Cabinet</td>
<td>1,113,157</td>
<td>PRC, MFAT collective Budget Support to support Segele Hospital and also costs to meet funeral expenses of Late Paul Tovua. Also funding provided to support Fouleda Community Water Sanitation Project at North Malaita.</td>
</tr>
<tr>
<td>383</td>
<td>Ministry of Police, National Security and Correctional Services</td>
<td>20,205,031</td>
<td>DAFT, WB, and ADB collective grant support towards correctional service's asset maintenance and housing construction, and support towards COVID-19 response and operation activities at the Western Border.</td>
</tr>
<tr>
<td>388</td>
<td>Ministry of Commerce, Industries, Labour and Immigration</td>
<td>593,100</td>
<td>ADB Grant towards COVID-19 operations activities at Western Border.</td>
</tr>
<tr>
<td>390</td>
<td>Ministry of Fisheries and marine Resources</td>
<td>738,848</td>
<td>ADB Grant towards COVID-19 operations at the Western Border.</td>
</tr>
<tr>
<td>391</td>
<td>Ministry of Public Service</td>
<td>1,271,676</td>
<td>DFAT support to enhance capacity within the Solomon Islands Government and Public Service.</td>
</tr>
<tr>
<td>392</td>
<td>Ministry of Justice and Legal Affairs</td>
<td>1,465,361</td>
<td>MFAT support to Office of the Director Public Prosecution cater for relocation costs to a new office space at Telekom Building and cost of office rental up to December 2021.</td>
</tr>
<tr>
<td>393</td>
<td>Ministry of Home Affairs</td>
<td>66,192</td>
<td>UNICEF Budget Support to facilitate and conduct legislative review on birth, death and marriage Act.</td>
</tr>
<tr>
<td>399</td>
<td>Ministry of Environment, Climate Change, Disaster Management and Meteorology</td>
<td>22,479,787</td>
<td>ADB grant to support COVID-19 response activities towards camp management operations costs to quarantine sites and also to settle outstanding arrears, also,</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>Recurrent</th>
<th>Advance</th>
<th>Total Recurrent Warrants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>329,431,261</td>
</tr>
</tbody>
</table>

funding support towards meeting the costs for the COVID-19 operations by the ministry at the Wester border.

**VARIATIONS IN APPROPRIATIONS**

<table>
<thead>
<tr>
<th>Head</th>
<th>Ministry</th>
<th>Estimates</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>476</td>
<td>Ministry of Health and Medical Services</td>
<td>10,000,000</td>
<td>-5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>276</td>
<td>Ministry of Health and Medical Services</td>
<td>1,200,000</td>
<td>5,000,000</td>
<td>6,200,000</td>
</tr>
<tr>
<td>Total</td>
<td>offsetting Savings</td>
<td>11,200,000</td>
<td></td>
<td>11,200,000</td>
</tr>
</tbody>
</table>

Budget revised down to provide additional funding to cater for the budget shortfall expected for telephone and faxes under Ministry of Health and Medical Service recurrent budget.

**ADDITIONAL SUPPLEMENTARY EXPENDITURE**

**RECURRENT EXPENDITURE**

<table>
<thead>
<tr>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>272</td>
<td>Ministry of Education and Human Resources Development</td>
<td>10,032,301</td>
<td>Additional funding for outstanding sitting allowances for exam markers in 2020, outstanding bills for travel related costs for those schools that participated in the 2021 Secondary School Sports Carnival, teachers annual leave fares and water.</td>
</tr>
<tr>
<td>275</td>
<td>Office of the Governor General</td>
<td>1,224,018</td>
<td>Additional funding to cater for house rental, electricity, telephone and faxes, outstanding maintenance works, fuel, medical assessment, printing/photocopying and other travel related costs for the Governor General’s annual leave in 2021.</td>
</tr>
<tr>
<td>276</td>
<td>Ministry of Health and Medical Services</td>
<td>16,200,000</td>
<td>Additional funding to cater for the budget shortfall expected for electricity under Headquarter, NRH, HCC, Kilu’ufi, Malu’u</td>
</tr>
<tr>
<td>Code</td>
<td>Ministry</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------</td>
<td>----------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>277</td>
<td>Ministry of Infrastructure Development</td>
<td>1,000,000</td>
<td>Additional funding to cater for the picket fencing and compacting of ground at the new test lane site.</td>
</tr>
<tr>
<td>279</td>
<td>National Parliament of Solomon Islands</td>
<td>786,731</td>
<td>Additional funding to meet the budget shortfall towards the MPs Health Care Scheme for Members of Parliament.</td>
</tr>
<tr>
<td>280</td>
<td>Ministry of Forestry and Research</td>
<td>331,466</td>
<td>Additional funding to cater for the monitoring of log shipments, training and performance pf logging company employees, resource owners, and investigation issues related to logging.</td>
</tr>
<tr>
<td>283</td>
<td>Ministry of Police, National Security and Correctional Services</td>
<td>14,189,856</td>
<td>Additional funding to cater for CSSI/RSIPF public servants annual leave fares, telephone costs, outstanding and ongoing CSSI house rental costs and maintenance of motor vehicles.</td>
</tr>
<tr>
<td>290</td>
<td>Ministry of Fisheries and Marine Resources</td>
<td>987,225</td>
<td>Additional funding to cater for the outstanding and ongoing public servants house rental costs and also COVID-19 related expenditures.</td>
</tr>
<tr>
<td>291</td>
<td>Ministry of Public Service</td>
<td>1,517,885</td>
<td>Additional funding to cater for security cost, outstanding and ongoing public servants house rental costs, defamation claims cost filed by former PS against MPS (High Court decision), supply and installation of 2 water tanks and air-conditioning for IPAM plus renovation works to ministry houses at Tasahe B.</td>
</tr>
<tr>
<td>292</td>
<td>Ministry of Justice and Legal Affairs</td>
<td>3,323,803</td>
<td>Additional funding to cater for the outstanding bills for electricity from 2015 to 202 and also furniture costs for Attorney General’s office at Panatina Plaza.</td>
</tr>
<tr>
<td>296</td>
<td>National Judiciary</td>
<td>5,355,097</td>
<td>Additional funding to cater for the outstanding bills for public servants house rental and office rental at Gizo, utility costs for water and power, Court of Appeal allowances, court circuits travel related costs for High Court Judges and Local Court, including ongoing maintenance of air-condition.</td>
</tr>
<tr>
<td></td>
<td><strong>Total Recurrent Supplementary Expenditure</strong></td>
<td><strong>54,948,391</strong></td>
<td></td>
</tr>
<tr>
<td>Head</td>
<td>Ministry</td>
<td>Amount</td>
<td>Purpose</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------</td>
<td>---------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>477</td>
<td>Ministry of Infrastructure Development</td>
<td>31,000,000</td>
<td>Additional funding to cater for the National Transportation Initiative program, commencement work on MAL Biosecurity Vapour Heat Treatment at Henderson Airport, including CEMA revitalization and recapitalization repairs and maintenance of former buying centres.</td>
</tr>
<tr>
<td>488</td>
<td>Ministry of Commerce, Industries, Labour and Immigration</td>
<td>8,500,000</td>
<td>Additional funding to cater for CEMA revitalization and recapitalization.</td>
</tr>
<tr>
<td></td>
<td>Total Development Supplementary Expenditure</td>
<td>39,500,000</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 3 - Issues of Concern

Ministry of Finance and Treasury

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate ($)</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>$10,000,000</td>
<td>$93,496,535</td>
<td>$103,496,535</td>
</tr>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>$nil</td>
<td>$55,064,752</td>
<td>$55,064,752</td>
</tr>
</tbody>
</table>


Budget Support collectively funded by the Government of Australia through Department of Foreign Affairs and Trade, Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) and the Asian Development Bank (ADB) Grant support towards Customs and Excise Division’s outstanding office rental to Tongs Company, costs of recruiting new graduates for Customs and Excise Division and Inland Revenue Division. Also, support to repatriation of SIG students studying in Philippines, AX system upgrade and for the recapitalization of SOEs namely Solomon Water and Solomon Airlines.

**Issues of Concern**

Matters raised during the public inquiry include the following:

3.1 Compliance with statutory reporting requirements – The Committee was concerned that the statutory deadlines for the Ministry’s reporting in line with the Public Financial Management Act 2013 had not been met. The reports were requested by the Committee and were subsequently provided by the Ministry in draft. The Ministry noted that before the pandemic, the Ministry was generally complying with the reporting requirements.

**Recommendation 1**

The Committee recommends the Ministry of Finance and Treasury to comply with the Public Finance Management Act 2013, section 52 and table the 2020 Final Budget Outcome Report and 2021 Mid-Year Budget Review Report in Parliament.
Recommendation 2

The Committee recommends the Budget Unit within the Ministry of Finance and Treasury ensure effective communication and consultation occurs before submitting the Bill to Parliament.

The committee is concerned that the following recommendation had also affected the following ministries:

i. Ministry of Agriculture and Livestock Development
ii. Ministry of Education Human Resource Development
iii. Ministry of Health and Medical Services
iv. Ministry of Fisheries and Marine Resources
v. Ministry of Public Service

3.2 Proper budgeting process – The Committee was concerned that the proper budgeting process was not being followed and questioned whether the warrants were being used for non-urgent matters or rather contractual obligations which should have been foreseen.

3.3 The Ministry explained that many of the additional appropriations are unforeseen. The Ministry provided a few examples including MHMS which was having to provide support for the wider health sector due to COVID-19 which had other bills such as utilities and rentals. Furthermore, some of the policies included in the Supplementary Appropriation Bill were announced subsequent to the Budget 2021. These include border operations which are ongoing.

3.4 The Ministry noted that the Supplementary Budget included a number of budget adjustments for outstanding utilities. They noted that there is no monitoring or recording of these bills, and that some were historical but that line Ministries were now working with utility companies to verify the outstanding bills and settle them.

Recommendation 3

The Committee recommends all Ministries, led by the Ministry of Finance and Treasury, ensure outstanding bills are captured to better inform appropriate budget levels in subsequent years.
Recommendation 4
The Committee recommends adequate allocation should be made for known recurrent budgets in the original budget.

Recommendation 5
The Committee recommends that where utility bills continue to increase beyond budgets, the Ministry of Finance and Treasury should engage with these providers to negotiate more affordable contracts for the government.

3.5 Fiscal challenges - The Committee enquired what strategies the Ministry was implementing to address the fiscal challenges.

3.6 The Ministry outlined the importance of the progression of Bills currently in draft. These included revenue measures.

3.7 The Customs Controller explained the modernisation efforts which have continued and are aimed at both tackling corruption and as a result will improve revenue. He noted the ongoing progress of recruitment of graduates with 16 engaged to date and 17 currently going through shortlisting. The intention was to continue this with a further 30 in 2022. Trainers have been engaged offshore to deliver specialised training for the different skills required for the new graduates.

3.8 Improvements to Asycuda which are also designed to tackle fraud and corruption and improve revenue streams were delayed due to a lack of skilled resources. Customs are developing their IT staff to increase the size of the team to address these issues.

3.9 The Inland Revenue Commissioner highlighted the recent introduction of cash registers as the first stage of digitising the tax system. Inland Revenue is also commencing a reform agenda to modernise the tax system. This includes restructuring tax officers from specialising by tax type to a functional structure which will enable greater efficiencies. Changes in legislation are required to support this program.

3.10 Delivery of development budgets – The Committee was concerned that progress against the delivery of development budgets was slow and yet three ministries were seeking additional budget.

3.11 The Ministry noted that the Development Budget only really started from mid-2021 due to the late approval of the 2021 Budget. Some of the major elements of the development budget were expected to progress significantly in the coming months with procurement processes progressing. The Ministry noted however, that despite the emergency element
of some of the operations, they did not want to compromise compliance with procurement processes.

3.12 The Ministry noted the role of the Cabinet's Core Ministers Coordinating Committee (CMCC) within the Office of the Prime Minister which is monitoring the delivery of the development projects. Even with these efforts however, two elements: cash and capacity of the Ministries to deliver, may mean there is a need to pair back some of the projects.

3.13 **Cash flows** – The Committee probed the concern that cash flows may restrict the delivery of projects. The Ministry noted that there are four methods in use for managing the deficit in the development budget this year. In addition to internally generated savings, these include:

- External borrowing. The Ministry noted Cabinet had approved a medium-term strategy to borrow domestically for cost pressures. Funds had been received from JICA prior to the passing of the Development Budget. To date $70 million had been spent out of $190 million. As the requirements are met the remaining funds will be released.

- Domestic raising of finance through bonds. Year to date $120 million has been received from the National Provident Fund and $50 million from the Pan Oceanic Bank. The Ministry is in the process of securing a further $120 million from other State Owned Enterprises.

- Budget Support. This has increased to $150 million. The Ministry is working with development partners to meet the final conditions to trigger the release of funds.

3.14 Despite the challenges the Ministry confirmed they are almost up to date on contractual commitments and have paid in advance for their international scholarship commitments.

3.15 The Ministry produces comprehensive financial reports each month which are discussed with senior officials in Planning, Finance and the Central Bank.

3.16 The Committee sought to clarify specifically the level of cash cover currently held by the Government. The Ministry noted that at present this was modest, enough to cover the weekly payroll costs. The above measures are therefore important to ensure the progression of development projects.

3.17 In relation to budget support through donors the Ministry noted that of the above, $150 million was expected in 2021, although this may be late which may cause a delivery issues. One of the major conditions for the release of these funds is the drafting of the Public Financial Management Regulations.
3.18 **Exemptions** – The Committee continued to raise their need to see the exemptions approved for duties. The Ministry confirmed that this information was available by sector both in a Statutory and Non-Statutory report.

**Central Bank of Solomon Islands**

**Issues of Concern**

Matters raised by the Committee includes the following:

3.19 **Employment (Construction Sector)** – The Committee is concerned construction employment may be declining. The Government assured Parliament that there are many job opportunities in construction but there is concern construction employment has dropped.

3.20 CBSI stated that though there are many contractors operating there is still a drop as many contractors are affected by the impact of this COVID-19. From data collect it shows for the first half of the year there was declining in employment for the construction sector. Reasons for this may be workers are moving from one company to another. Also some are taking workers from aboard to work at the construction sites.

**Recommendation 6**

The Committee recommends the Central Bank of Solomon Islands identifies an effective tool to provide useful employment data and determine accurate forecast.

3.21 **Economic Stimulus Package** – The Committee is concerned whether the economic stimulus package granted to agriculture sector, especially the cocoa and coconut sector is effective or is there a drop in the cocoa and coconut?

3.22 CBSI stated that for copra there is an increase of 18% for the first half of the year but for cocoa there is a decrease of 43%.

3.23 **GDP growth** – The Committee sought confirmation on the latest GDP position. CBSI noted that GDP growth has been downgraded to 0.4% from a forecast of 1.5%. Ministry of Finance and Treasury forecast is 1% to 1.3%. The Committee asked why there are two different view on the GDP forecast. CBSI stated that they usually meet with MoFT to
discuss GDP so there should be no difference in the forecasts, however, such differences may arise from the fact that CBSI base their forecast on latest data.

3.24 Public Debt – The Committee noted that the total government debt is 13% higher than the end of December 2020. The Committee asked CBSI to confirm the total debt per GDP.

3.25 CBSI noted the total debt stood at $1,788 million at the end of August which is equivalent to 13% of GDP. This debt stock only includes JICA loans (external) and Domestic bonds (NPF). This does not include Tina Hydro funding.

3.26 CBSI stated that they only have the total cost of the Public Debt with them but not individual loans. This can be provided by written submission.

3.27 Inflation – The Committee noted that CBSI projected 3% inflation for the first half of the year. The Committee asked what portion of this relates to import inflation and what to domestic. CBSI stated that the main impact on inflation is driven by imports.

3.28 Micro interest rate (cost of finance) margin – The Committee enquired what the trend for first half of the year was. CBSI noted that the interest rate was reducing from 10.23% to 9.83%. The Committee was concerned that this rate, at more than 9%, is still very high and was causing problems for businesses which were liquating due to the current environment created by COVID-19.

3.29 The Committee asked whether there were guidelines or bench-marks for the rates. CBSI stated that currently there is no guideline for banks especially on lending rates however they are working with other Central Banks in the region on how to regulate lending as well other services offered by commercial banks.

Recommendation 7
The Committee recommends the Central Bank formulate an interest rate policy as part of its monetary policy tools with a view to ensuring affordability of finance in the economy.

3.30 Development Bank of Solomon Islands (DBSI) – The Committee was interested to know if CBSI had any data on DBSI and what type of impact the bank is having on the economy. CBSI stated that they did not have any data from DBSI, and noted that the bank was very slow to submit information to CBSI when requested.
Office of the Electoral Commission

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0308-0000-6069</td>
<td>Budget Support</td>
<td>Nil</td>
<td>3,641,351</td>
<td>3,641,351</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) General Budget Support to cater for by-elections of South Choiseul Constituency and other provincial bye-election in 2021.

**Issues of Concern**

Matters raised by the Committee include the following:

3.31 The Committee sought an update from the Commission on the by-elections. The Ministry noted there had been three by-elections: South Choiseul, and two provincial by-elections, one in Choiseul ward and one in a Temotu ward. All by-elections occurred on the one day of 19 May. The Commission noted that the Budget Support met the shortfall highlighted in the recurrent budget in Budget 2021.

3.32 The trial of the by-elections occurring on the same day was limited, and therefore, further work may still be required to really establish the practice for the future. This will also be dependent on the amendments to the Electoral legislation.

3.33 **Human resource issue of Office of the Electoral Commission** - The Committee observed that the Office relies heavily on donor partners to fund the manpower resources of the Office. The Committee was concerned what would happen if the donors withdrew this support.

3.34 The Office noted that they are currently in dialog with Ministry of Public Service on this issue. Generally, it is expected that donors will fund in the early stage and the Office will take on the staff as established officers at the end of their contract with the donors.
70 Ministry of Agriculture and Livestock Development

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
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<td>0339-0000-2351</td>
<td>Budget Support</td>
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<td>$662,510</td>
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</tbody>
</table>


Issues of Concern

Matters raised by the Committee include the following:

3.35 **Intended purpose of advance warrant** – The Committee asked for an explanation of the intended purpose of the advanced warrant. The Ministry was unaware of the planned budget support and provided a written submission.

71 Office of the Auditor General

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
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<td>Budget Support</td>
<td>Nil</td>
<td>$180,123</td>
<td>$180,123</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) towards Public Accounts Committee (PAC) assistance and support intern graduate for six (6) months. Also, support towards communication equipment of office operations.

Issues of Concern

The OAG provided written submission to the PAC.
Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>$15,511,540</td>
<td>$10,032,301</td>
<td>$25,543,841</td>
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<tr>
<td>Various</td>
<td>Budget Support</td>
<td>$85,452,922</td>
<td>$59,942,135</td>
<td>$145,395,057</td>
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</table>

Purpose: Budget Support collectively funded by Asian Development Bank (ADB) COVID-19 funds, Government of Australia through the Department of Foreign Affairs and Trade and Government of New Zealand through the Ministry of Foreign Affairs and Trade to support Curriculum Development Unit and Asset Management Unit towards reference materials, capex - non-residential buildings and training materials. Support towards school grants and Solomon Islands School Entry Examination (SISSE) related activities and other basic education related activities under SCR, NEAD and LRD for schools. Also, support towards the 15 soccer boys stranded in UK for repatriation payments and also for the short-fall payments to Solomon Airlines for the commercial flight from Manila.

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>$15,511,540</td>
<td>$10,032,301</td>
<td>$25,543,841</td>
</tr>
</tbody>
</table>

Purpose: This amount provides additional funding to cater for outstanding sitting allowances for exam markers in 2020, outstanding bills for travel related costs for those schools that participated in the recent 2021 Secondary Schools Sport Carnival in Honiara, teachers annual leave fares and water.

Issues of Concern

Matters raised by the Committee includes the following:

3.36 Sources of funding – The Committee asked the Ministry to clarify how much the respective donor partners had each contributed. The Ministry noted that the funding had
been determined by the Ministry of Finance and Treasury. They noted that ADB funding was allocated to COVID-19 relief but they weren’t aware of any further split in funding.

3.37 Reference materials – The Committee asked the Ministry to explain the additional budgets allocated for reference materials. The Ministry noted that the Standards Unit did not have any provision initially. The Curriculum Development Division was the other area benefiting from these additional funds. The Ministry noted that this would go towards the development of the materials. This had been outsourced to Cognition Education Limited and Pearson and Read Pacific printing companies in Australia and New Zealand. The Committee also encouraged the Ministry to consider options available in country which could enable materials to be more accessible and affordable to students.

74 Ministry of Foreign Affairs and External Trade

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>Nil</td>
<td>$784,929</td>
<td>$784,929</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by People’s Republic of China (PRC) for payment of 2 tractors in support to the project, Solomon Islands Enhancing capacities for Agriculture Trade.

Issues of Concern

Matters raised by the Committee include the following:

3.38 Purpose of the budget support – The Committee sought further details on the project and the need for the tractors. The Ministry confirmed that the project is one under the World Trade Organisation administered under the Ministry. It is an enhanced integrated framework to support agriculture projects and build capacity in the value chain. The support under the project has been for four tractors, not two as noted. The project supports particular farms involved in the development of agriculture of cassava and taro in particular. The Ministry’s teams are working with these farms and noted that the tractors will be allocated to the farms in the program with the aim and objective of exporting cassava and taro.
3.39 The Committee enquired into the level of exports of these products at the moment. The Ministry noted it had been asking for this information for a while to assist in the negotiations currently under way with the People’s Republic of China but had been unable to obtain the data from the necessary line Ministries.

Recommendation 8
The Committee recommends the Ministry of Foreign Affairs and External Trade collect the necessary data on exports to enable their effective monitoring and trade negotiations.

75 Office of the Governor General

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>1,559,672</td>
<td>1,224,018</td>
<td>2,783,690</td>
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</tbody>
</table>

Purpose: This amount provides additional funding to cater for house rental, electricity, telephone and faxes, outstanding maintenance works, fuel, medical assessment, printing/photocopying and other travel related costs for the Governor General’s annual leave in 2021.

Issues of Concern
The Office of the Governor General provided written submission to the PAC. The submission concluded that the supplementary budget was mainly for specific line items that will allow the OGG to continue operations until the end of 2021.
### Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
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</tr>
</thead>
<tbody>
<tr>
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<td>Budget Support</td>
<td>$15,288,000</td>
<td>$59,650,319</td>
<td>$74,938,319</td>
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</table>

Purpose: Budget Support collectively funded by the Government of Australia through the Department of Foreign Affairs and Trade (DFAT), Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT), Government of the People’s Republic of China (PRC), SIG COVID 19 Domestic Development Bond and Asian Development Bank (ADB) Grant towards the payment of consultant specialist on COVID-19 responses, purchases of vaccines, security services, payments to CT scan project and for TB ward reconstruction into isolation centre. Also, includes the payment for COVID-19 ongoing operational activities and vaccination roll out throughout the country.

### Variation in Appropriations

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
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<th>Revised Estimates ($)</th>
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<td>0001-4014-2102</td>
<td>Development Budget - Drugs and Dressings</td>
<td>$10,000,000</td>
<td>$-5,000,000</td>
<td>$5,000,000</td>
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<tr>
<td>0001-0000-3005</td>
<td>Recurrent Budget - Telephone and Faxes</td>
<td>$1,200,000</td>
<td>$5,000,000</td>
<td>$6,200,000</td>
</tr>
</tbody>
</table>

Purpose: Budget revised down for the development budget and upward for the recurrent budget to provide additional funding to cater for the budget shortfall expected for telephone and faxes under Ministry of Health and Medical Service recurrent budget.

### Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>10,300,000</td>
<td>16,200,000</td>
<td>26,500,000</td>
</tr>
</tbody>
</table>

Public Accounts Committee Report: September 2021
Purpose: This amount provides additional funding to cater for the budget shortfall expected for electricity under Headquarter, National Referral Hospital, Honiara City Council, Kilu’ufi, Malu’u and Gizo including water, telephone and faxes.

Issues of Concern

Matters raised by the Committee include the following:

3.40 **Utilities** – The Ministry noted they were having challenges with their utilities costs. In recent years the budget for utilities, water and telephone had seen a reduction but there was no ability for the Ministry to reduce their use as all facilities had to keep running. In particular the Ministry had noted reductions in the past which meant they were now in arrears. Some of the increase in the Supplementary Budget was to address this. The Ministry also noted they were working with Telekom to understand some of the increases. The Ministry noted that this was in part due to the introduction of the new system but also unofficial usage of the phones.

Recommendation 9

The Committee recommends the Ministry of Health and Medical Services implements actions to stop the unofficial use of phones leading to these increases in budget.

3.41 **Delivery of disaster relief** – The Committee noted an additional $51.6 million going towards Disaster Relief activities and sought an update and whether this was likely to be spent by the year end.

3.42 The Ministry noted that much of the procurement was underway and many of the projects were now approved by Central Tenders Board. As a result the Ministry was confident they would be able to access the cash through donor partners.

3.43 **Source of funds** – The Committee sought to understand how much of the Budget Support would be coming from SIG COVID 19 Domestic Development Bond. The Ministry was unable to confirm this noting that the Ministry of Finance and Treasury were responsible for this.

3.44 **Reduction in Development Budget** – The Committee was concerned with the reduction in the Development Budgets’ drugs and dressings given historical issues which had been occurred relating to medical stores. The Ministry noted that this reduction was because the country has been successful at securing COVID-19 vaccines from donor partners it no longer needed this amount provisioned for the COVID-19 vaccine.
3.45 **CT Scan** – The Committee enquired as to the current status of the CT Scan project. The Ministry noted that an Australian supplier had now been contracted and the payment raised. The project was expected to be completed by November with staff coming to install and train on the scanner within the coming four months.

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**Ministry of Infrastructure Development**

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>Nil</td>
<td>$7,563,258</td>
<td>$7,563,258</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by Asian Development Bank (ADB) COVID-19 grant towards infrastructure improvements at quarantine sites at the western border and subsidy payment to shipping agents to provide shipping services to uneconomical zones.

**Additional Supplementary Expenditure**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
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<tr>
<td>0243-0000-2501</td>
<td>Budget Support</td>
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<td>$3,303,124</td>
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<tr>
<td>Various</td>
<td>Development</td>
<td>$9,000,000</td>
<td>$31,000,000</td>
<td>$40,000,000</td>
</tr>
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</table>

Purpose: This Budget Support provides additional funding to cater for the picket fencing and compacting of ground at the new test lane site at Ministry of Infrastructure Development. The Development Budget provides additional funding to cater for the National Transportation Initiative program, commencement work on MAL Biosecurity Vapour Heat Treatment at Henderson Airport, including CEMA revitalization and recapitalization repairs and maintenance of former buying centres.

**Issues of Concern**

Matters raised by the Committee includes the following:
3.46 Location of investment for former buying centres - The Committee noted the funding going toward the CEMA revitalisation project and sought to clarify which former buying centres would benefit. The Ministry confirmed that the support would go to the former centres in Malaita, Makira and Honiara.

3.47 ADB budget support – The Committee noted that additional support was allocated to disaster relief and franchise shipping and sought an update on each. The Ministry noted that there are 8 routes served around the country under franchise shipping. These are known as non-economical routes.

3.48 Picket fence – The Committee noted that an additional $1 million was requested under the recurrent budget and asked for an update on this area of activity. The Ministry noted that the initial budget had been expended but it was now necessary to undertake activity to protect the area for the new test lane.

3.49 National transport fund – the Committee noted that the initial funding for ship building was $5 million, now increasing to $30 million. The Committee wanted to understand how the initial funding had been applied. The Ministry noted that the initial $5 million had already been allocated to Members of Parliament but as there were so many applications, more funding had been requested. The Committee was concerned that there were boat builders around the country who had boats for a number of years awaiting engines and what support was being provided to them. The Ministry noted that the requests from Members of Parliament tended to crowd out the real ship builders but the Government recognised the efforts of the boat builders and wanted to protect the industry and agreed to support them this year. The Ministry described that once the budget is approved a team would be charged with engaging with the boat builders to determine visits and assessments and to identify the beneficiaries.

3.50 The Committee requested the list of boat builders which the Ministry supports through this scheme.


79 National Parliament

**Contingency Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
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<td>Recurrent Budget</td>
<td>580,745</td>
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<td>3,313,992</td>
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</table>

Purpose: This amount provides funds for costs to conduct provincial inquiry into the Public Health Emergency Bill 2021 and also for the upgrade of the Chamber sound system of the National Parliament.

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
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<td>Budget Support</td>
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<td>513,197</td>
<td>513,197</td>
</tr>
</tbody>
</table>

Purpose: Funded by UNDP to implement on its pacific parliamentary effectiveness initiative project 2021.

**Additional Supplementary Expenditure**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
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<td>0094-0000-2030</td>
<td>Budget Support</td>
<td>2,213,269</td>
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</table>

Purpose: This amount provides additional funding to meet the budget shortfall towards the MPs Health and Care Scheme for Members of Parliament as required under the Memorandum of Agreement (MOA).

**Issues of Concern**

The National Parliament provided a written submission to the PAC.
Ministry of Forestry and Research

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Recurrent Budget</td>
<td>589,410</td>
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<td>920,876</td>
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</table>

Purpose: This amount provides additional funding to cater for the monitoring of log shipments, training and performance of logging company employees, resource owners and investigation of issues related to logging activities.

Issues of Concern

Matters of concern raised by the Committee include the following:

3.51 Sustainable Logging Policy – The Committee requested an update on the status of this policy. The Ministry stated that although it has been policy for a while, it is now being implemented.

3.52 Effectively monitoring and enforcement of Forestry Act and Regulation – The Committee was concerned despite the Government’s commitment to tighten the exemption to log areas located 400 meters above sea level, this practice is still occurring in the provinces in breach of the forestry regulation. The Ministry noted that there are certain areas where exemptions have been provided. This might be to enable the connection of roads from rural to urban areas and the clearing of land for farming activities. Ministry noted that no schedule was included in the regulations recently gazetted to identify which provinces or areas are to be exempted. The Ministry hoped that the amended Forest Bill would resolve the issue.

3.53 Section 4 (c) of the Forest Resources and Timber Utilization Act – The Committee enquired what improvements were being implemented to avoid issues such as the misuse of power or disputes currently faced by Solomon Island citizens concerning felling of trees.

3.54 Usage of supplementary allocation – The Committee enquired whether the additional funding was sufficient and if it was likely to be expended before the year end. The Ministry stated with the government redirection policy, the main objective is to increase revenue base of the extractive industries therefore the Ministry is increasing its activities to monitor and ensure all logging activities comply.
In addition, the Committee asked what type of training was done by the Ministry for logging companies and resource owners. The Ministry confirmed officers provide training onsite for company scalars and resource owner scalars to accurately size logs. Other training provided is on downstream processing. The Ministry trained resource owners on how to mill the logs and know the volume before they sell them. The final training activity provided is to training them how replant trees for future. This for both the company and resource owners.

81 Office of the Prime Minister and Cabinet

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
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</thead>
<tbody>
<tr>
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<td>1,113,157</td>
<td>1,113,157</td>
</tr>
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</table>

Purpose: Budget Support collectively funded by the Government of the People's Republic of China (PRC) and the Government of New Zealand through the Ministry of Foreign Affairs and Trade (general budget support) to support Seghe Hospital and also costs to meet funeral expenses of Late Paul Tovua. Also, funding provided to support Foueda Community Water Sanitation Project at North Malaita.

Issues of Concern

Matters raised by the Committee include the following:

3.56 **Funeral expenses** - The Committee enquired of the Office whether the funeral expenses qualified under the conditions of the NZ donor funding. The Office confirmed that costs had been presented to MOFT who had allocated the source from NZ.

3.57 The Committee was concerned whether the policy on funeral expenses had been developed as previously requested. The policy was intended to provide guidelines of what would be appropriate costs for the Government to contribute for funerals. The Office confirmed that it had not yet developed this policy.
3.58 **Seghe project** - The Committee sought to clarify if the Seghe project was simply for the hospital or for the whole station. The Office confirmed that the funds were allocated to Seghe to ensure electrification of the hospital.

3.59 **National Development Fund** – The Committee enquired as to the status of the project to improve the National Development Fund. The Office confirmed that the People’s Republic of China had agreed to take on the funding of this and the fund was currently in transition from Republic of China to the People’s Republic of China.

83 **Ministry of Police, National Security and Correctional Services**

**Contingency Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001-5034-5050</td>
<td>Recurrent Budget</td>
<td>Nil</td>
<td>1,750,000</td>
<td>1,750,000</td>
</tr>
</tbody>
</table>

Purpose: This amount provides additional funds to cater for the first instalment payment to FAMOA Trust Board for the purchase of Lofung land in Shortland Island for the Western Border and Patrol Boat Outpost.

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>9,842,885</td>
<td>20,205,031</td>
<td>30,047,916</td>
</tr>
</tbody>
</table>

Purpose: Budget Support collectively funded by the Government of Australia through the Department of Foreign Affairs and Trade (DFAT), World Bank and Asian Development Bank (ADB) grant support towards correctional service’s asset maintenance and housing construction, and support towards COVID-19 response and operation activities at the Western Border.

Public Accounts Committee Report: September 2021
**Additional Supplementary Expenditure**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>29,537,439</td>
<td>14,189,865</td>
<td>43,727,304</td>
</tr>
</tbody>
</table>

Purpose: This amount provides additional funding to cater for CSSI/RSIPF public servants annual leave fares, water, telephone costs, outstanding and ongoing CSSI house rental costs and maintenance of motor vehicles.

**Issues of Concern**

Matters raised by the Committee include the following:

3.60 **Infrastructure to be built on the acquired land in Western border** – The Committee enquired what was the estimated cost of the infrastructure which would be built on the land and when the project was due to start and whether a donor had been identified to fund the project.

3.61 The Ministry confirmed that the proposed infrastructure was estimated to cost AUD 82 million. The first engineering team will commence their assessment for the project this year, however, the actual construction was expected to occur in 2022. The infrastructure will accommodate Police, Fisheries, Customs and other government agencies including staff houses for officers.

3.62 **Police Capability to patrol the Western border at night** – The Committee was concerned with the security of our border during the night and whether we have capability and capacity to protect our bounders.

3.63 The Ministry responded that currently Police at the Western border have six drones that have night vision capability that help in the patrol of the bounder at night. Otherwise only our patrol boats have the radar capability to detect movement at night. Currently the Ministry is working closely with donor partners to source other equipment to boost the patrol at the border. For now the two new patrol boats take turns at the border until Police have other equipment at their disposal.

3.64 The Ministry also noted that there have been challenges faced by Police during the deployment to the Western border. Local communities at the Western border have been resistant to allowing the Police access to mount operations unlike in the Malaita Outer Islands.
3.65 Qualified and trained Police officers assigned to administrative duties – The Committee noted that in the past, many trained police officers were assigned to do administrative work rather than involve in policing. The Ministry noted that this was an ongoing discussion with Police Headquarters, but due to other priorities this issue had not progressed.

Recommendation 10
The Committee recommends that the Ministry of Police, National Security and Correctional Services consult with Ministry of Public Service to free qualified police officers to return to the front line and away from administrative tasks.

88 Ministry of Commerce, Industries, Labour and Immigration

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0185-0000-2351</td>
<td>Budget Support</td>
<td>Nil</td>
<td>593,100</td>
<td>593,100</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by Asian Development Bank (ADB) Grant towards COVID-19 operations activities at Western Border.

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0002-5057-4027</td>
<td>Development Budget</td>
<td>6,162,950</td>
<td>8,500,000</td>
<td>14,662,950</td>
</tr>
</tbody>
</table>

Purpose: This amount provides additional funding to cater for CEMA revitalization and recapitalization.
Issues of Concern

The Committee raised the following issues:

3.66 **CEMA revitalisation program** – The Committee was interested to understand more details about the revitalisation program. The Ministry provided a written submission on the Implementation Plan 2021-2027. The Advanced Warrant related to phase 1 of the implementation plan which would run to December 2021. Phase 1 will include a review of the Act and existing regulations; a restructure of the organisation to establish a new marketing team and the promotion and extension of the Services division. A large portion of the development budget would go towards the purchase, selling and exporting of commodities – being copra, cocoa and others as determined.

3.67 **Impact for the private sector** – The Committee was concerned that this might have an impact on the operations of the private sector. The Ministry explained that CEMA’s strategy did not intend to compete with private companies but rather work alongside them. Instead it would focus on the farmers which don’t currently have access to private sector buyers. CEMA would also look to work with the National Transport Fund to access shipping as this can be expensive for producers too. To ensure that CEMA does not create pricing issues, the CEMA Board and management will determine an approach and liaise with the private sector in developing this.

3.68 **Performance against Development Budget** – The Committee noted that this was going to further increase the Ministry’s existing development budget and that MOFT details provided had shown that some of the projects under the development budget were in their early stages of implementation. The Ministry confirmed that current data would show that the projects are now further progressed and are expected to reach 70% by the end of October and therefore are on track for year-end delivery.
90 Ministry of Fisheries and Marine Resources

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0282-0000-2351</td>
<td>Budget Support</td>
<td>Nil</td>
<td>738,848</td>
<td>738,848</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by Asian Development Bank (ADB) Grant towards COVID-19 operations at the Western Border.

**Additional Supplementary Expenditure**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>4,241,570</td>
<td>987,225</td>
<td>5,228,795</td>
</tr>
</tbody>
</table>

Purpose: This amount provides additional funding to cater for the outstanding and ongoing public servants house rental costs and also COVID-19 related expenditures under Fisheries Offshore Division.

**Issues of Concern**

The Committee identified the following matters of concern:

3.69 **Budget support advanced warrant** – The Ministry were unaware of the planned budget support and would consult with MOFT and the Minister in relation to this.

3.70 **Outstanding rent** – The Committee enquired how the Ministry had developed the rental arrears. The Ministry explained that they had made the budget request in 2020 and again for the 2021 budget but had been unsuccessful. The Budget Unit had instead required them to make virements to manage the overall position but this had not really been an option for the Ministry due to the size and budgets available.

3.71 **Beche-de-mer** – Subsequent to the hearing, the Committee also made the following observation. The Committee is concerned about the lifting of the ban on the harvest of beche-de-mer. The Committee viewed that the Ministry had failed to meet the core conditions needed to trigger any lifting of the ban. One such condition was for the Ministry to carry out a stock assessment of the wild population of beche-de-mer. Another
condition required the Ministry to put in place control measures and tighten loopholes on harvesting based on past experience under the Ministry's management plan to control this kind of fisheries species. Solomon Islands is a party to the Convention of International Trade on Endangered Species (CITES) and as such, the country is required to carry out and provide a non-detrimental finding to this international regime to confirm that we are managing our endangered species. Any non-compliance would mean that we are in breach of CITES, which puts us in a precarious situation where any export or sale of this fisheries product will be treated as unacceptable by the international community.

Recommendation 11
The Committee recommends the lifting of the ban on the harvest of beche-de-mer should be based on scientific data. The Ministry of Fisheries and Marine Resources should publish a scientific advisory on this data.

91 Ministry of Public Service

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>Nil</td>
<td>1,271,676</td>
<td>1,271,676</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) to enhance capacity within the Solomon Islands Government (SIG) and Public Service.

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>652,000</td>
<td>1,517,885</td>
<td>2,169,885</td>
</tr>
</tbody>
</table>

Public Accounts Committee Report: September 2021
Purpose: This amount provides additional funding to cater for the security cost, outstanding and ongoing public servants house rental costs, defamation claim cost file by former Permanent Secretary against MI’S (High Court decision), supply and installation costs of two (2) water tanks and air conditioning for IPAM plus renovation works to ministry houses’ at Tasahe B.

Issues of Concern

3.72 Intended purpose of Advanced Warrant and Additional Supplementary Expenditure – The Committee asked for an explanation of the intended purpose of the additional expenditure. The Ministry was unaware of the planned budget support or additional supplementary expenditure and had not submitted a bid.

3.73 The Ministry agreed to provide a written submission to the PAC.

92 Ministry of Justice and Legal Affairs

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>Nil</td>
<td>1,465,361</td>
<td>1,465,361</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) to support office of Director Public Prosecution (ODPP) cater for relocation costs to a new office space at Telekom Building and cost of office rental up to December 2021.

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>1,630,586</td>
<td>3,323,803</td>
<td>4,954,389</td>
</tr>
</tbody>
</table>

Public Accounts Committee Report: September 2021
Purpose: This amount provides additional funding to cater for the outstanding bills for electricity from 2015 to 2020 and also furniture costs to Attorney General’s office at Panatina Plaza.

Issues of Concern

The Committee raised the following issues:

3.74 **Budget support advanced warrant** – The Committee enquired what the purpose of this funding is and how it is going to be expended. The Ministry explained to the Committee that this funding is mainly support rendered by the New Zealand Government through Ministry of Foreign Affairs and Trade (MFAT) for the setting up of new Office of the Director of Public Prosecution (ODPP). This funding is to cater for relocation costs for partitioning and furnishing the new office of ODPP.

3.75 **Recurrent Budget Additional Supplementary Expenditure** – The Committee enquired how the Ministry was in arrears for these recurrent expenditure items.

3.76 The Ministry explained it has been seeking Government support to resolve the pressures it is facing. This primarily related to outstanding electricity bills back 2015 and outstanding payments due to Universal Traders way back 2017 for furniture for the new Attorney General’s Office at Panatina Plaza when they moved from Kalala building. These requirements have not been factored into its Recurrent Budget, as these bills only came to notice after the 2021 budget was already passed.

93 Ministry of Home Affairs

**Advanced Warrant**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Budget Support</td>
<td>241,340</td>
<td>66,192</td>
<td>307,532</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by United Nations International Children's Emergency Fund (UNICEF) to support facilitate and conduct legislative review on birth, death and
marriage Act to ensure training and management framework and tools for its application are developed and implemented within the Ministry.

Issues of Concern
The Committee raised the following issues:

3.77 **Registration of births and deaths** – The Committee was concerned whether the Ministry was making progress with the need to ensure births and deaths were registered. The Ministry explained that they are working with donor partners over a number of years to progress this. They currently are undertaking an administrative exercise to amalgamate the two separate legislation into one strong and effective bill. The Ministry noted there are however, gaps in the administrative processes especially relating to civil registrations.

3.78 The Committee enquired what level of births and deaths were currently being registered. The Ministry confirmed that this currently stood at 24% of the current population. Breaking this down though they are achieving 87% of the 90% of under five’s registrations. Deaths are currently only being registered in approximately 12% of cases.

Recommendation 12
The Committee recommends that the Ministry of Home Affairs collaborate with the Ministry of Finance, Division of Statistics and the Ministry of Health and Medical Services to develop a plan to improve registrations of births and deaths to 100% including any systems underlying this that are needed to enable appropriate support and donor engagement in the future.

96 National Judiciary

Additional Supplementary Expenditure

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Recurrent Budget</td>
<td>6,590,159</td>
<td>5,355,097</td>
<td>11,945,256</td>
</tr>
</tbody>
</table>

Public Accounts Committee Report: September 2021
Purpose: This amount provides additional funding to cater for the outstanding bills for public servants house rental and office rental at Gizo, utility costs for water and power, Court of Appeal allowances, court circuits travel related costs for High Court Judges and Local Court, including ongoing maintenance of air condition.

Issues of Concern

The National Judiciary provided written submission to the PAC.

99 Ministry of Environment, Climate Change, Disaster Management and Meteorology

Advanced Warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimate ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0003-0000-2351</td>
<td>Budget Support</td>
<td>Nil</td>
<td>22,479,787</td>
<td>22,479,787</td>
</tr>
</tbody>
</table>

Purpose: Budget Support funded by Asian Development Bank (ADB) grant to support COVID-19 response activities towards camp management operations costs to quarantine sites and also settle outstanding arrears. Also, funding support towards meeting the costs for the COVID-19 operations by the Ministry at the western border.

Issues of Concern

The Committee raised the following issues:

3.79 Camp operations - The Committee sought an update on the camp operations and budget impact. The Ministry explained that camp operations have been very expensive. Costs included catering, utilities, security, waste disposal, cleaning and allowances. This has grown now with the responsibility for Police, CSSI and Health Officers now also.
3.80 The Ministry noted that all quarantine sites have been reassessed by the Ministry of Health and Medical Services. As a result of the complexities of Delta, only three sites are now in use.

3.81 **Learnings from lockdown** – The Committee was concerned what learnings had been made in relation to the recent lockdown. The Ministry noted that there had been a two day lessons learned workshop involving the five sector committees. The National Disaster Management Office is in the process of consolidating the outcomes from the workshop into a report which is expected to be presented to the Oversight Committee shortly.

3.82 The Ministry noted that there were some significant challenges with a lockdown in Honiara. Access to basic utilities, the reliance on day to day operations for income both meant that the Ministry is concerned over the sustainability of a lockdown. The Ministry noted the lead role that the Ministry of Agriculture and Livestock having in the Livelihood Sector Committee is to sustain the livelihood of people during such time.

3.83 **Vessel exemptions** – The Committee was concerned following recent reporting around vessels. The Ministry explained that the responsibility for vessel exemptions sat under the Oversight Committee (Vessel Exemption Committee). This committee uses the Maritime and Police monitoring systems to provide clearance to vessels and must be approved before they enter Solomon Island borders.

3.84 **Quarantine use** – The Ministry presented data on the numbers in quarantine facilities. This included the split between those who self-support and those who SIG pay for. The Ministry noted that the Government had decided that Solomon Island nationals returning would be paid for by SIG. This was however under review by the Government.

**END OF REPORT**

Public Accounts Committee Report: September 2021
Appendices

Committee Functions

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

\(a\) examine the accounts prescribed by Section 77 of the Public Financial Management Act 2013, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;

\(b\) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;

\(c\) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor’s report thereon and to report the results of such examination to Parliament;

\(d\) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;

\(e\) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;

\(f\) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;

\(g\) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and

\(h\) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

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\(^1\) Section 62, Constitution of Solomon Islands 1978.
APPENDICES

Minutes of Proceedings

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

Minutes of Proceedings
Committee Hearing into the 2021 Supplementary Appropriation Bill 2021

Day 1 /2021

Wednesday 15th September 2021, CR II, Parliament House 9:53 am

1. Members Present
Hon. Douglas Ete, Chairman
Hon. Matthew Wale, MP
Hon. John Deane Kuku, MP
Hon. Rick Houenipwela, MP
Hon. Lilly Maefai, MP
Hon. John Maneniaru, MP
Hon. Ethel Lency, MP
Hon. Alfred Efona, MP
Hon. Commins Mewa, MP

Secretary: Ms. Rachel - Deputy Auditor General
Mr. Donaldson Becha, Senior Auditor

Secretariat
Mr. Heston Rence, Committee Secretariat
Ms. Cordney Wale, Committee Secretariat
Ms. Salome Pilumate, Committee Secretariat
Ms. Sherilyn Ragoso, Hansard Reporter
Mr. Lawrence Scott, Media Officer

1. Prayer
The MP for Small Malaita, Hon. Rick Houenipwela said the opening prayer.

2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.
3. Inquiry into the 2021 Supplementary Appropriation Bill 2021
The Hearing proper commenced and the following witnesses from the Ministry of Finance & Treasury were admitted:

**Hearing 1 Witnesses**

i. Mr. Bruce Philip, Accountant General (AG)
ii. Mr. McKinnie Dentana, PS
iii. Mr. Coswald Nelson, Director Budget Unit
iv. Mr. Joseph Dokekana, CIR, IRD/MoFT
v. Mr. Selwyn Takana, DSE (Ag)
vi. Mr. Jim Sutton, Comptroller, Customs/MoFT
vii. Mr. Robert Meyenn, Director DMU
viii. Mrs. Primula Kingmele, ERU

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

**Hearing adjourns at 10:57am**

The PAC adjourned the hearing because of the outstanding reports on the Mid-Term Review that MoFT need to submit to the PAC before the next proceedings.

4. Adjournment:
The committee adjourned hearing at 10:57am

5. Documents Tabled
   i. PS MoFT Talking Notes
Minutes of Proceedings
Committee Inquiry into the 2021 Supplementary Appropriation 2021

Day 2 /2021

Thursday 16th September 2021, CR II, Parliament House 9:38am

1. Members Present
Hon Douglas Ete – Chairman
Hon. John Deane Kuku, MP
Hon. John Maneniaru, MP
Hon. Matthew Wale, MP
Hon. Ethel Lency, MP
Hon. Rick Houenipwela, MP
Hon. Lilly Maefai, MP
Hon. Alfred Efona, MP
Hon. Commins Mewa, MP

Absent/ Apologies

Secretary: Ms. Rachel - Deputy Auditor General
Mr. Donaldson Becha, Senior Auditor
Mr. Johnson Lobo, Audit Manager
Ms. Mary Oldom, Principal Auditor

Secretariat
Mr. Heston Rence, Committee Secretary
Ms. Cordney Wale, Committee Secretary
Ms. Salome Pilumate, Committee Secretary
Mr. Whitmon Tabiru, Committee Secretary
Mr. Wilson Orisi, Committee Secretary
Mr. Richard Allen, Hansard Reporter
Ms. Theresa Nori, Hansard Reporter
Mrs. Esther Turangalu, Hansard Reporter
Mrs. Hazel Fafele, Hansard Reporter
Mr. Lawrence Scott, Media Officer

2. Prayer: No opening prayer
3. **Welcome and Opening Remarks**
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

4. **Inquiry into the 2021 Supplementary Appropriation Bill 2021**
The hearing proper commenced and the following witnesses from the Ministry of Finance & Treasury were admitted:

**Hearing 2 Witnesses**

i. Mr. Makini Dentana - Permanent Secretary  
ii. Mr. Coswal Nelson-Director, Budget Unit  
iii. Mr. Bruce Philip – Accountant General  
iv. Mr. Joseph Dokekana - Commissioner Inland Revenue  
v. Mr. Jim Sutton – Comptroller Customs  
vi. Mr. Selwyn Takana – DSE (Ag)  
vii. Mr. Robert Meyenn, Director DMU  
viii. Ms. Primula Kingmele – ERU (Ag)

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

*Hearing suspends for lunch at 11:40am*

The Hearing proper resumed at 2:00 pm and the following witnesses from the Central Bank of Solomon Islands were admitted:

**Hearing 3 Witnesses**

i. Mr. Raynold Moveni, Deputy Governor  
ii. Mr. Michael Kikiolo, Management Advisor  
iii. Mrs. Louisa Baragamu, Chief Manager/ERSD

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

*Hearing suspends at 3:13pm*

The Hearing proper continued at 3:23pm and the following witnesses from the Ministry of Police National Security & Correctional Services were admitted:

____________________________________

Public Accounts Committee Report: September 2021
Hearing 4 Witnesses
i. Ms. Karren Galokale, Permanent Secretary
ii. Mr. Mostyn Mangau, Commissioner RSIPF
iii. Mr. Gabriel Manelusi, Commissioner CSSI
iv. Ms. Catherine Keve, DCA/CSI
v. Ms. Julia Twumasi, DSC SC
vi. Mr. Macfus Forau, DS/PP
vii. Mr. Simson Pugeva, ACP

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

Hearing suspends at 4:06pm

The Hearing proper continued at 4:08pm and the following witnesses from the Office of the Solomon Islands Electoral Commission were admitted:

Hearing 5 Witnesses
i. Mrs. Jane Waetara, CEO
ii. Mr. Reuben Rongomea, F/M
iii. Mr. Fredrick Bosoboe, OM

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

Hearing suspends at 4:43pm

The Hearing proper continued at 4:45pm and the following witnesses from the National Parliament of Solomon Islands were admitted:

Hearing 6 Witnesses
i. Mr. David Kusilifu, Clerk
ii. Mr. Jefferson Hallu, DCNP
iii. Mr. Lloyd Bera, FC

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

Public Accounts Committee Report: September 2021
Hearing adjourned at 4:51pm

4. Adjournment:
The committee adjourned hearing at 4:51 pm.

5. Documents Tabled
   Recent economic and fiscal developments and outlook, CBSI

Day 3/ 2021

Friday 17th September 2021, CR II, Parliament House 9:32 am

1. Members Present
   Hon. Douglas Ete, Chairman
   Hon. Matthew Wale, MP
   Hon. John Dean Kuku, MP
   Hon. John Maneniaru, MP
   Hon. Alfred Efona, MP

Apologies/Absents
   Hon. Ethel Lency, MP
   Hon. Commins Mewa, MP
   Hon. Lily Maefai, MP
   Hon. Rick Hou, MP

Secretary: Ms. Rachel - Deputy Auditor General
   Ms. Feva Iabule- Senior Auditor

Secretariat
   Mr. Heston Rence, Committee Secretary
   Mr. Whitmon Tabiru, Committee Secretary
   Mr. Wilson Orisi, Committee Secretary
   Ms. Ivory Iruha'a, Committee Secretary
   Mr. Lawrence Ailly, Media Officer
   Ms. Theresa Nori, Hansard Reporter
   Ms. Sherolyn Ragoso, Hansard Reporter
   Mr. Greg Kinime, Hansard Reporter
   Mrs. Esther Turangaluvu, Hansard Reporter

Public Accounts Committee Report: September 2021
2. Opening Prayer
Hon. Alfred Efona said the opening prayer.

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

4. Inquiry into the 2021 Supplementary Appropriation Bill 2021
The Hearing proper commenced and the following witnesses from the Ministry of Agriculture and Livestock were admitted:

**Hearing 7 Witnesses**
1. Mrs. Ethel Francis, Permanent Secretary, MAL
2. Mr. Michael Ho’ota, DST, MAL
3. Mrs. Paurina Akwai, HRM, MAL
4. Mrs. Elda L Wate, DSC, MAL

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

*Hearing suspends at 10:04 am*

The Hearing proper continued at 10:21 am and the following witnesses from the Ministry of Education and Human Resources Development were admitted:

**Hearing 8 Witnesses**
1. Mr. Franco Rodie, PS, MEHRD
2. Mr. James Bosamata, DS, MEHRD
3. Mrs. Merrylyn Kodoleke, DF, MEHRD

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

*Hearing suspends at 11:24 am*

The Hearing proper continued at 11:38 am and the following witnesses from the Ministry of Health and Medical Services were admitted:

**Hearing 9 Witnesses**
1. Mrs. Pauline Mcneill, PS,MHMS
2. Mrs. Shanti Fowler, TA, MHMS

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iii. Mr. Esmy Magu, PA, MHMS
iv. Mrs. Esther Tekulu, FC(s), MHMS
v. Mr. Ivan Ghemu, DPP, MHMS
vi. Mr. Lazarus Neko, DSC, MHMS
vii. Mr. Gregory Jilini, DSHC, MHMS
viii. Mr. Brian Idufanoa, CPO/PPO, MHMS
ix. Mr. Nemia Bainivalu, DSPH, MHMS
x. Dr. George Malefoasi, CEO NRH, MHMS
xi. Mr. Michael Larui,
xii. Mr. Layton Jacob, Procurement, MHMS

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 12.38 pm for lunch

The Hearing proper continued at 2:31 pm and the following witnesses from the Ministry of Environment, Climate Change, Disaster Management and Meteorology were admitted:

Hearing 10 Witnesses
  i. Mr. Jonathan Tafiariki, DD, MECDM
  ii. Mr. Karl Kuper, PS (Sup), MECDM
  iii. Mr. Jacob Akau, FC, MECDM

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 3:06pm

The Hearing proper continued at 3: 16 pm and the following witnesses from the Ministry of Foreign Affairs and External Trade were admitted:

Hearing 11 Witnesses
  i. Mr. Cornelius Walegera, PS (Supervising)/DS, MFAET
  ii. Mr. Barrett Salato, Trade Commissioner, MFAET
  iii. Mr. Alvin Talu, SAO (FC/Ag), MFAET

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 3:42pm
The Hearing proper continued at 3.53 pm and the following witnesses from the Ministry of Infrastructure Development were admitted:

**Hearing 12 Witnesses**

i. Mr. Stephen Maesiola, PS, MID

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

*Hearing adjourned at 4:13pm*

5. Adjournment:
The committee adjourned hearing at 4:13pm

6. Documents Tabled
Nil

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**Day 4/ 2021**

**Monday 20th September 2021, CR II, Parliament House 1:23pm**

1. **Members Present**
Hon. Douglas Ete, Chairman
Hon Matthew Wale, MP
Hon. John Deane Kuku, MP
Hon. Rick Houenipwela, MP
Hon. Lilly Maefai, MP
Hon. John Maneniaru, MP

Hon. Ethel Lency, MP

Hon. Commins Mewa, MP

**Apologies/Absents**
Hon. Alfred Efona, MP

**Secretary:** Ms. Rachel - Deputy Auditor General  
Ms. Joan Andrew- Senior Auditor  
Mr. Orinzu Mveni- Intern

**Secretariat**  
Mr. Heston Rence, Committee Secretary  
Mr. Wilson Orisi, Committee Secretary  
Ms. Cordney Wale, Committee Secretary  
Ms. Ivory Iruha’a, Committee Secretary  
Mr. Lawrence Scott, Media Officers  
Mr. Philemon Loe, Media Officer  
Ms. Sherolyn Ragoso, Hansard Reporter  
Mr. Greg Kinimete, Hansard Reporter  
Ms. Theresa Nori, Hansard Reporter

2. **Welcome and Opening Remarks**  
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. **Inquiry into the 2021 Supplementary Appropriation Bill 2021**

The Hearing proper commenced at 1:23pm and the following witnesses from the Office of the Prime Minister and Cabinet were admitted:

**Hearing 13 Witnesses**  
i. Mr. James Remobatu, STC, PMO  
ii. Mr. Pelliom Buare, FC, PMO  
iii. Mr. Christian Neing, NHAED, NHA, PMO  
iv. Mr. Leonard Ofainu‘u, DSPM CS, OPMC  
v. Ms. Florence Joel, DSTC, OPMC

The witnesses made their presentation before the Committee.  
The Committee questioned the witnesses based on the evidence presented.  
The examination concluded.

**Hearing Suspended at 1:54 pm**

The Hearing proper continued at 2:02pm and the following witnesses from the Ministry of Commerce, Industries, Labour and Immigration were admitted.
**Hearing 14 Witnesses**

i. Mr. Riley Mesepitu, PS, MCILI  
ii. Mr. Patterson Siliota, GM, CEMA  
iii. Mr. Eric, PS (T), MCILI  
iv. Mr. Martin Housanau, Director CEMA CSS, OPMC

The witnesses made their presentation before the Committee.  
The Committee questioned the witnesses based on the evidence presented.  
The examination concluded.

**Hearing Suspended at 2:43 pm.**

The Hearing proper continued at 2:53pm and the following witnesses from the Ministry of Fisheries and Marine Resources were admitted:

**Hearing 15 Witnesses**

i. Ms. Rosalie Masu, Deputy Secretary Technical/PS (Sup)- Inshore, MFMR  
ii. Mr. Patteson Lusi, Deputy Secretary Corporate, MFMR  
iii. Mr. Alick Misibini, Financial Controller, MFMR  
iv. Mr Edward Honiwala, Director Fisheries, MFMR

The witnesses made their presentation before the Committee.  
The Committee questioned the witnesses based on the evidence presented.  
The examination concluded.

**Hearing proper adjourned at 3:12pm**

4. Adjournment:  
The committee adjourned hearing at 3:12 pm

5. Documents Tabled  
Nil
Day 5/ 2021

Tuesday 21st September 2021, CR II, Parliament House 9:41 am

1. Members Present
Hon Douglas Ete, Chairman
Hon Matthew Wale, MP
Hon Lily Maefai, MP
Hon Rick Houenipwela, MP
Hon. Ethel Lency, MP
Hon. Alfred Effona, MP
Hon. John Dean Kuku, MP
Hon. John Maneniaru, MP

Secretary: Mr. Patrick Wasiraro, Senior Auditor OAG
          Mr. Johnson Lobo, Audit Manager OAG
          Ms. Rachel - Deputy Auditor General
          Mr. Donaldson Becha, Senior Auditor

Secretariat
Mr. Heston Rence, Committee Secretary
Mr. Whitmon Tabiru, Committee Secretary
Ms. Cordney Wale, Committee Secretary
Mr. Lawrence Scott, Media Officer
Mr. Marlon Keni, Hansard Reporter
Ms. Esther Turufulafu, Hansard Reporter
Mr. Richard. Allan, Hansard Reporter
Ms. Hazel. Fafale, Hansard Reporter

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

3. Inquiry into the 2021 Supplementary Appropriation Bill 2021
The Hearing proper commenced and the following witnesses from the Ministry of Forestry & Research were admitted:

Hearing 16 Witnesses
  i. Dr. Vaeno. Vigulu, PS MoFR
  ii. Mr. Wilfred Atomea, DSA MoFR
  iii. Mr. Revees Moveni, Commissioner Forestry
  iv. Mr. Jacob Kenai, Chief Legal Officer MoFR
v. Mr. Fred Pitasopa, Deputy Commisioner MoFR
vi. Mr. Tibon Oge, FC MoFR
vii. Ms. Stephanie Rikoi, Chief Forest Officer MoFR
viii. Ms. Ella Simata, HRM MoFR

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

*Hearing Suspended at 10:28 am*

The Hearing proper continued at 10:37 am and the following witnesses from the Ministry of Public Service were admitted:

**Hearing 17 Witnesses**

i. Mr. Nego Sisilo, PS MPS
ii. Mr. Lionel Menimer, FC, MPS

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

*Hearing Suspended at 10:42 am*

The Ministry of Public Service was not aware of the any supplementary so the committee suspended the inquiry and the MPS will return on a later time or date.

The Hearing proper continued at 10:49 am and the following witnesses from the Ministry of Justice & Legal Affairs were admitted:

**Hearing 18 Witnesses**

i. Dr. Paul Mae, PS, MJLA
ii. Mr. Andrew Houlia, DS, MJLA
iii. Mr. Chris Soul Koako, FC, MJLA

The witness made their presentation before the Committee.
The Committee questioned the witness based on the evidence presented.
The examination concluded.

*Hearing Suspended at 11:08 am*
The Hearing proper continued at 1:00 pm and the following witnesses from the Office of the Auditor General were admitted:

**Hearing 19 Witnesses**

1. Ms. Rachel McKechnie, Deputy AG, OAG

   The witness made his presentation before the Committee.  
The Committee questioned the witness based on the evidence presented.  
The examination concluded.

*Hearing suspended at 1:12 pm*

The Hearing proper continued at 1:15 pm and the following witnesses from the Ministry of Home Affairs were admitted:

**Hearing 20 Witnesses**

1. Mr. Fredie. I. Otana, DSC, MHA
2. Mr. Selison. Faisi, DSD, MHA
3. Mr. Yvonne Lipa, FC, MHA
4. Mr. Noel Kinika, HRM
5. John Fotellwale, DST MHA
6. Mr. Jeffery Sade, PS MHA

   The witness made his presentation before the Committee.  
The Committee questioned the witness based on the evidence presented.  
The examination concluded.

*Hearing suspended at 1:50 pm*

Hearing adjourned at 1:50pm

**Adjournment:**
The committee adjourned hearing at 1:50pm

5. **Documents Tabled**

   Nil
List of Submissions
Submission during Hearings

Submission#1, MOFT, Talking Notes PS Finance
Submission#2, MOFT, 2021 Development Budget for Implementation
Submission#3, CBSI, Recent Economic and Fiscal Developments and Outlook
Submission#4, OPMC, Explanatory Notes for 2021 Supplementary Budget
Submission#5, OPMC, List of Advance Warrants
Submission#6, OPMC, Minute: 2020 PRC Funded National Development Fund (NDF) for Constituencies Project
Submission#7, OPMC, Minute: Additional PRC Funded National Development Fund (NDF) for Constituencies Project
Submission#8, OPMC, Letter to PS MOFT
Submission#9, MEHRD, Explanation to 372 Supplementary Budget Support
Submission#10, MEHRD, Explanation to 272 Supplementary Recurrent Budget Support
Submission#12, MECDM, Repatriation Data Analysis
Submission#13, MAL, MAL YTD – Report Recurrent Budget
Submission#14, MAL, MAL YTD – Report Development Budget
Submission#15, MCILI, Explanatory Notes for 2021 Supplementary Budget
Submission#16, MCILI, Revised Annual Work Plan 2021
Submission#17, MHMS, 2021 Expenditure Budget Summary
Submission#18, MFMR, Briefs for PAC on hearing into 2021SAB2021
Submission#19, NJ, Pressure Areas for Supplementary - 2021
List of PAC Generic Submissions

1. MPNSCS, PAC Generic Template 2021SAB2021
2. SIEC, PAC Generic Template 2021SAB2021
3. NPO, PAC Generic Template 2021SAB2021
4. OGG, PAC Generic Template 2021SAB2021
5. OPMC, PAC Generic Template 2021SAB2021
6. MEHRD, PAC Generic Template 2021SAB2021
7. MHMS, PAC Generic Template 2021SAB2021
8. MECDM, PAC Generic Template 2021SAB2021
9. MFAET, PAC Generic Template 2021SAB2021
10. MOFR, PAC Generic Template 2021SAB2021
11. MFMR, PAC Generic Template 2021SAB2021
12. MRD, PAC Generic Template 2021SAB2021
13. MPS, PAC Generic Template 2021SAB2021
14. MHA, PAC Generic Template 2021SAB2021
15. MJLA, PAC Generic Template 2021SAB2021