



National Parliament of Solomon Islands

Public Accounts Committee

# Committee Report

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Report on the 2016 Appropriation Bill 2015



NP-Paper No. 22/2015

Presented on 8<sup>th</sup> December 2015

National Parliament Office

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## COMMITTEE MEMBERSHIP

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

**Hon. Rick Houenipwela, MP (Chairman)**

**Hon. Jeremiah Manele, MP**

**Hon. Steve Abana, MP**

**Hon. Matthew C. Wale, MP**

**Hon. Connelly Sandakabatu, MP**

**Hon. Derrick Manu'ari, MP**

**Hon. Nestor Giro, MP**

**Secretary:** Mr. Robert Cohen, Acting Auditor General

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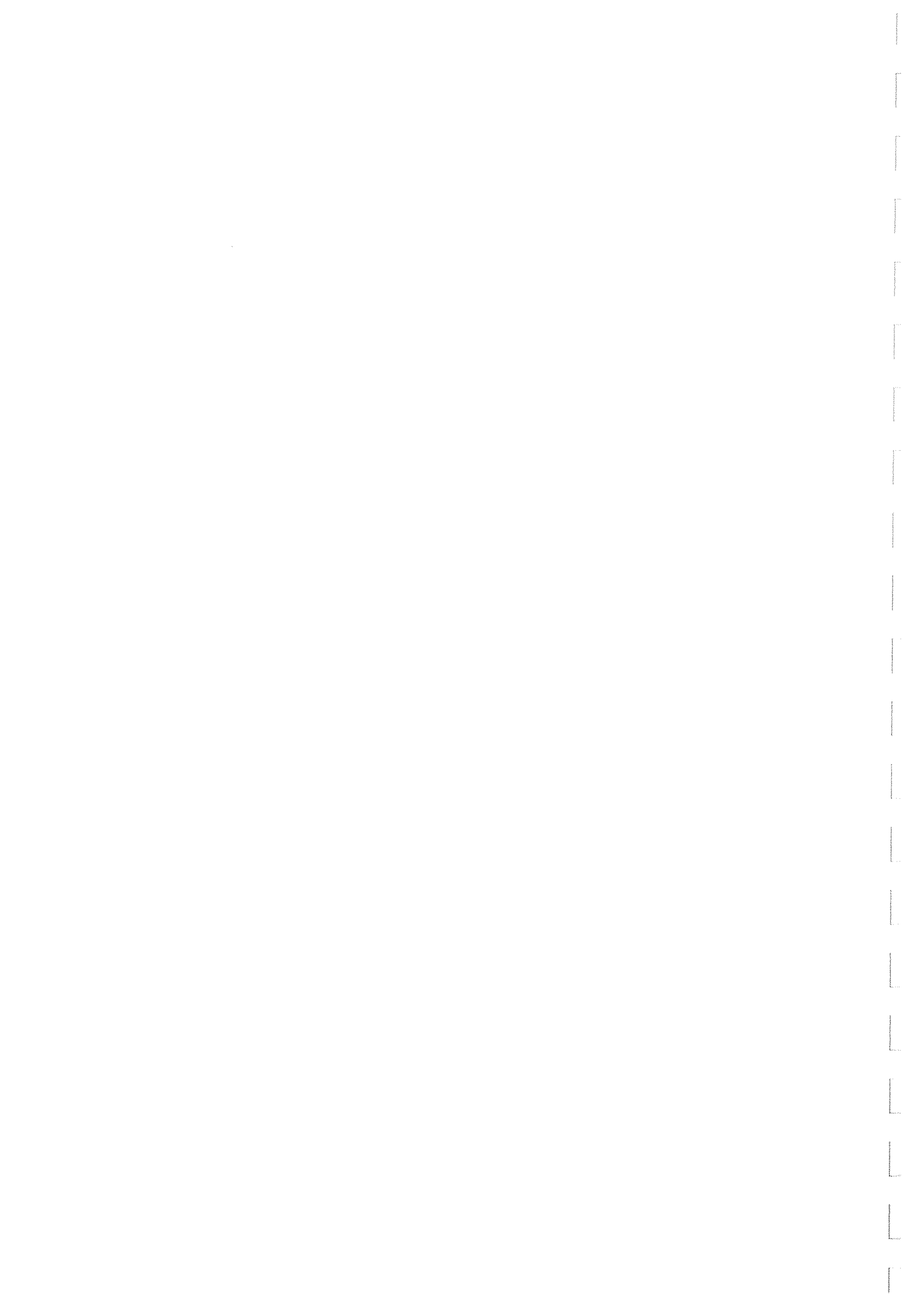
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## COMMITTEE FUNCTIONS

The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*<sup>1</sup> and has the functions, together with the necessary powers to discharge such, to:

- (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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<sup>1</sup> Section 62, *Constitution of Solomon Islands 1978*.

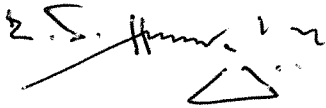


# CHAIR'S FOREWORD

## REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the 2016 Appropriation Bill 2015 for laying before Parliament.

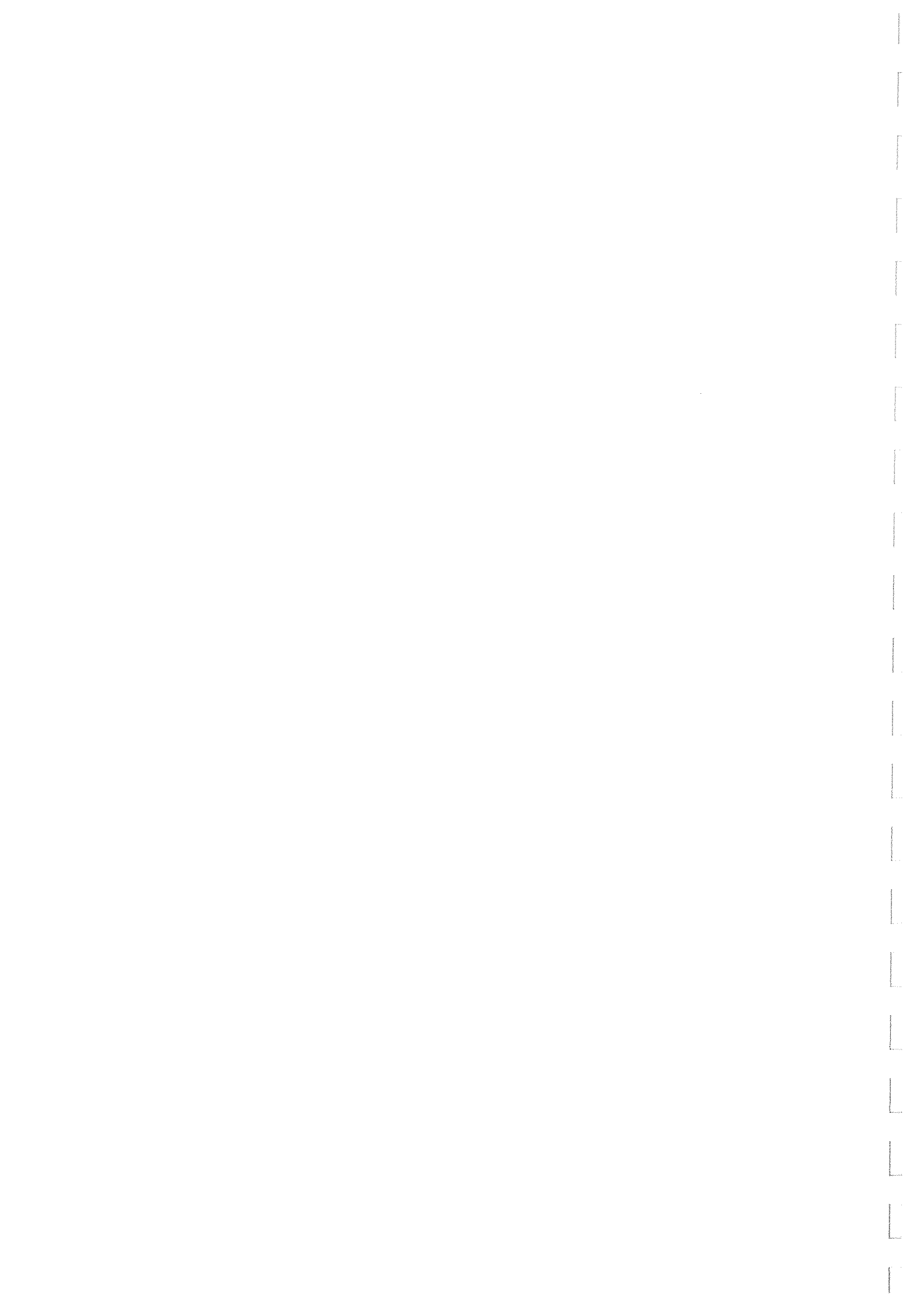
A handwritten signature in black ink, appearing to read 'R. S. Houenipwela', with a stylized flourish below it.

**Honourable Rick Houenipwela, MP**

Chairman

Public Accounts Committee

December 8<sup>th</sup>, 2015



## EXECUTIVE SUMMARY AND RECOMMENDATIONS

### *Budget delivery processes*

The Public Accounts Committee's consideration of the 2016 Budget was marred by the undue delays in receipt of the documents necessary to conduct hearings on them. These documents include Budget Outlook Vol 1 (provided to Committee on Saturday 28 November), Recurrent Budget Vol 2 and Development Budget Vol 3 (delivered Tuesday 1 December) and the Establishment Volume (provided Thursday 3 December – the day before hearings were to be completed). The Ministry of Development Planning and Aid Coordination (MDPAC) Medium Term Development Plan (MTDP) which now publishes all the development partners' non-appropriated funding has still not been tabled or received by the Committee.

These delays are probably the most severe experienced by the Committee; and the lack of time to conduct hearings into aspects of the Budget has severely hampered the Committee's ability to analyse and understand the budget or to prepare a thorough analysis of the budget.

### *Extent of unfunded bids promoting use of warrants, virements and supplementary appropriations*

Many of the ministries interviewed were concerned with the decisions to partly or not fund bids vital to their operations. But the Committee was concerned that the ministries were mostly unperturbed because they were confident after talking to Ministry of Finance & Treasury (MOFT) that they need only submit further bids for a Supplementary Budget top up to obtain the additional funding.

These procedures undermine the budgetary process and encourage poor or haphazard planning practices.

### *Change of reporting unappropriated donor funding to line ministries*

The Committee noted that a number of Permanent Secretaries (PSs) were unable to explain why the Development Budget no longer published unappropriated donor funds hitherto provided to their ministries. It was also obvious that some did not know what donors were funding in their portfolios, or were not engaged in the consultative arrangements between donors and MDPAC.

Further, the Committee did not gain access to the MDPAC's MTDP that publishes the unappropriated funds at any time during its hearings.



***Underfunding of Police will prevent the Government from successfully taking over policing after the withdrawal of RAMSI***

The Committee was most disturbed to learn that the underfunding of the Royal Solomon Islands Police Force (RSIPF) did not align with the recommended funding levels recommended in a "True cost of policing report" commissioned by the RSIPF. As a result, the Commissioner of Police was of the view that the Government will not be able to take over from RAMSI without properly funding the police force.

A similar case was made by the National Judiciary which stated that it was unable to conduct court hearings due to underfunding of staff and court expenses.

***Lack of transparency and accountability of Constituency Development Fund (CDF) moneys***

The Committee was concerned with the unwillingness of the PS of MRD to make herself available to the Committee to discuss one of the larger development budget funding allocations. Although the PS was out of country at commencement of the hearings, she did return during the hearings but made no attempt to come before the Committee.

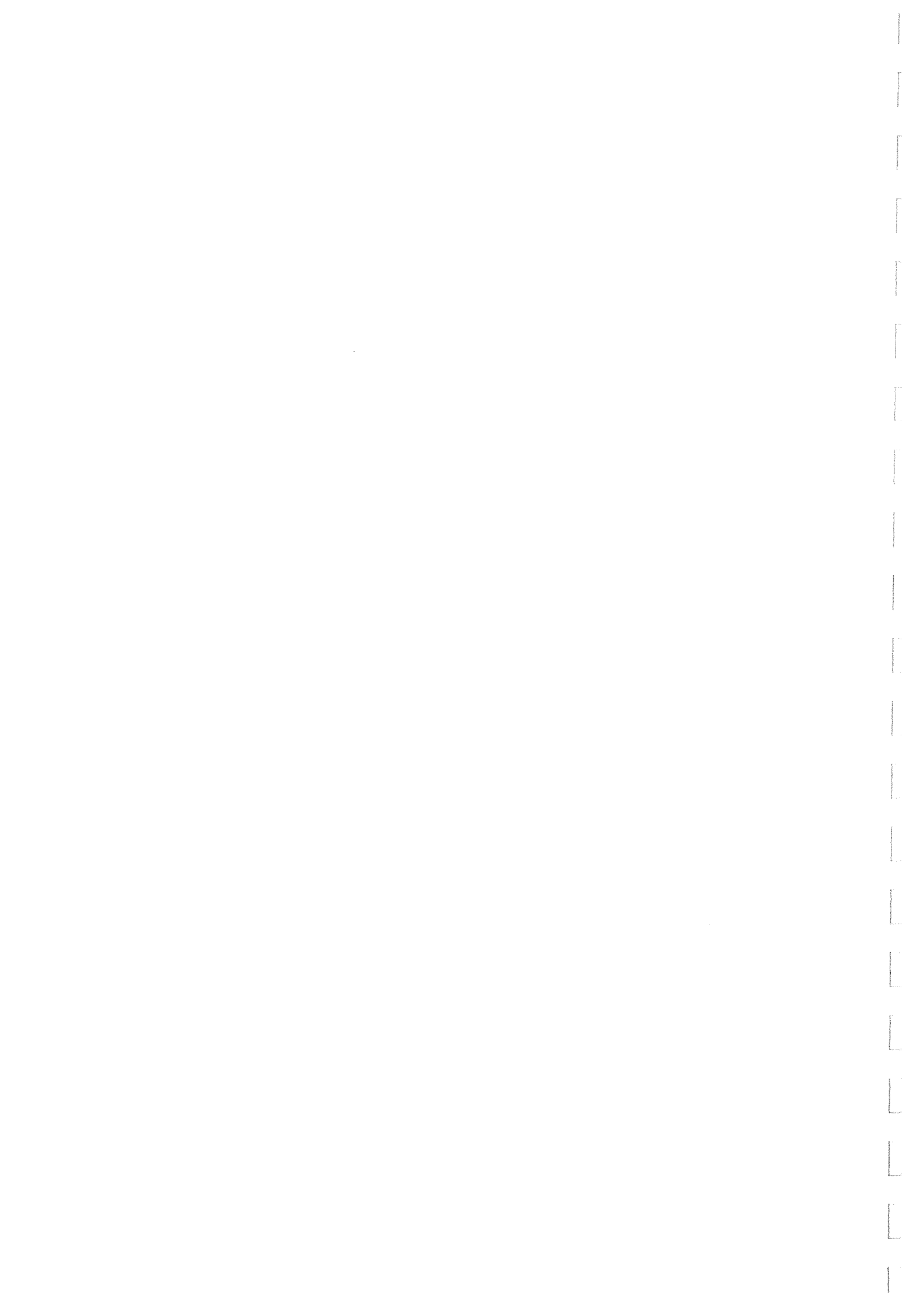
The CDF budget is problematic because of its scale and the method of delivery into the constituencies; and it is an important aspect of the budget that should be scrutinised by the Committee.

***Ministry of Health receiving full budget allocation requested but delivering poor outcomes***

The Committee was pleased to learn that the Ministry of Health & Medical Services (MHMS) received all the funding it requested under the Recurrent Budget but the Committee could not reconcile this with the public complaints about the very poor state of the National Referral Hospital. There appeared to the Committee a disconnect between what the Ministry felt was sufficient and the reality of poor rundown facilities without the most basic medical supplies.

**Recommendation 1**

The Committee recommends that the Ministry of Finance and Treasury review its current practices for delivering the annual budget papers so that all the documents can be properly analysed and the Committee's report be prepared to the highest standard most helpful to Members to understand the budget.





**Recommendation 2**

The Committee reiterates its recommendations in its report on the 2015 Supplementary Budget that:

- training of ministries in proper budget planning be initiated by Ministry of Finance and Treasury rather than passively accepting poorly developed bids by ministries; and
- Permanent Secretaries performance assessments include a review of the quality of their budget bids in terms of balancing historical expenditure patterns against upcoming activities.

**Recommendation 3**

The Committee recommends that

- Ministry of Development Planning and Aid Coordination deliver the Medium Term Development Plan at the same time as the Ministry of Finance and Treasury budget papers so that the Committee has all the necessary documents to conduct its analysis and hold hearings; and
- Permanent Secretaries be better informed on how donors operate within their portfolios so that there is an optimisation of resources use between the donors and the ministries.

**Recommendation 4**

The Committee recommends that the Government reconsider its commitment to fully funding the agencies responsible for maintaining law and order so that when RAMSI leaves the country is not threatened with a return to instability and lawlessness.

**Recommendation 5**

The Committee recommends that Permanent Secretaries of all Ministries be available to the Committee in future hearings as accounting officers over each ministry's Budget.

**Recommendation 6**

The Committee recommends that the Ministry of Health and Medical Services review its planned objectives and Key Performance Indicators of successful outcomes to see why the facilities are in such poor condition with unacceptable levels of service care; and come up with a more realistic budget to properly carry out its responsibilities.



# 1.0 BACKGROUND TO REPORT

## 1.1 Introduction

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 these Committees and is given the power to examine the annual Draft Estimates budgets prior to their tabling before Parliament.

This Report outlines the findings of the Committee's examination of the 2016 Draft Estimates that comprise the Recurrent and Development Estimates, the proposed recurrent Establishments Register and the related documents supporting the formulation of the Estimates.

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

The Committee wishes to put on record its appreciation to the representatives of the Internal Financial Institutions (Asian Development Bank and World Bank) and those public officials who appeared before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role including ensuring that public funds are allocated and expended appropriately and for the public good.

The Committee wishes to put on record its appreciation to the Permanent Secretaries (PSs) and Undersecretaries (US) of various Ministries who came before the Committee. Accounting officers of the Ministry of Home Affairs, Ministry of National Unity, Peace and Reconciliation, Ministry of Women, Youth Children and Family Affairs, National Parliament Office, Office of the Auditor General and Office of the Governor General were requested to make a submission on their appropriation.

The Committee also wishes to put on record its disappointment on the Accounting Officers of the Ministry of Rural Development for failing to appear before the Committee when requested.

## 1.2 Scope of this Report

Under Standing Order 69, the Committee is responsible to:

- (f) summon and examine the Accounting Officers and technical staff of Ministries and Departments and require the production of background information and explanation in relation to draft estimates;
- (g) report to Parliament in such a way that the report may inform Members prior to Parliamentary debate thereon of the background to the Draft Estimates and draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate; and
- (i) make recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

In exercising these functions the Committee seeks to establish whether:

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

## 1.3 Methodology

The 2016 Appropriation Bill 2015 was received by the Speaker of Parliament on Sunday 22<sup>nd</sup> November 2015 and certified on Monday 23<sup>rd</sup> November 2015.

The Committee interviewed and sought views from PSs, Undersecretaries (USs), Chief Accounting Officers (CAOs) and other senior officials who are responsible for the development and implementation of the expenditure requested.

## 2.0 COMMITTEE DELIBERATIONS

### 2.1 Background and Budget Overview

The 2016 Appropriation Bill 2015 is required to appropriate monies for the services of the Government in 2016.

The amounts to be appropriated are as follows:

EXPENDITURES	AMOUNT
RECURRENT EXPENDITURE	2,439,905,818
BUDGET SUPPORT EXPENDITURE	599,148,701
SIG FUNDED DEVELOPMENT EXPENDITURE	1,177,867,137
<b>TOTAL EXPENDITURES</b>	<b>4,216,921,656</b>

#### Budget delivery processes

The Public Accounts Committee's consideration of the 2016 Budget was marred by the undue delays in receipt of the documents necessary to conduct hearings on them. The Budget Outlook Vol 1 was provided to Committee on Saturday 28 November but the Recurrent Budget Vol 2 and Development Budget Vol 3 were not delivered until Tuesday 1 December. The Establishment Volume was not provided until Thursday 3 December – the day before hearings were to be completed. The MDPAC Medium Term Development Plan which now publishes all the development partners' non-appropriated funding has still not been received by the Committee.

These delays are probably the most severe experienced by the Committee; and the lack of time to conduct hearings into aspects of the Budget has severely hampered the Committee's ability to analyse and understand the budget. or to prepare a thorough analysis of the budget.

#### Recommendation

The Committee recommends that the MOFT review its current practices for delivering the annual budget papers so that all the documents can be properly analysed and the Committee's report be prepared to the highest standard most helpful to Members to understand the budget.

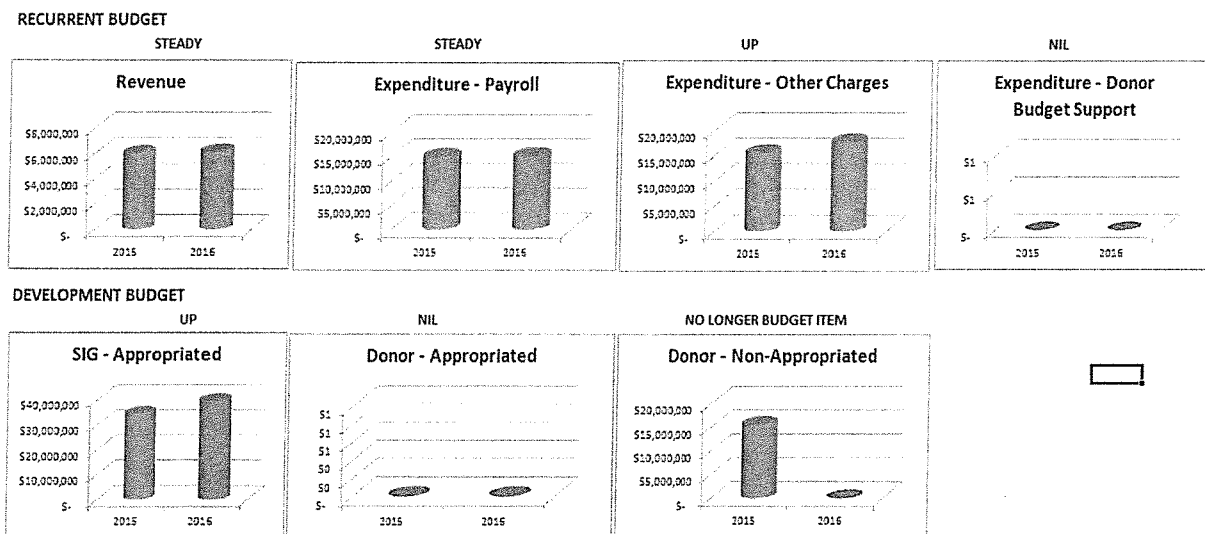
## 2.2 Issues of concern to Committee

### 70 MINISTRY OF AGRICULTURE & LIVESTOCK DEVELOPMENT

#### Mission statement

To promote, improve and lead agriculture development in the Solomon Islands to a profitable and environmentally sustainable future, being the premier provider of information, research, extension, education, regulatory, and other services to improve the agriculture sector.

#### Changes in Revenue, expenditure and donor support 2015 - 2016



#### Risks identified by Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

- **Chronic underfunding of Ministry** - the Committee raised its concern over the continuing underfunding of the Ministry which does not align with the priorities spelt out by the government for generating development and employment in the rural communities. The Ministry identified significant cuts to extension infrastructure in Auki and Buala that will inhibit extension services to local farmers in those areas.

## Ministry Outputs

The Ministry is considered by the Committee to be one of the biggest providers of livelihoods because it addresses the needs of farmers in both the formal and informal sectors which encompasses some 80% of Solomon Islanders.

Ministry outputs are described in pages 48 – 49 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

Matters raised by the Committee of concern included the following issues:

- **Coffee, Cocoa & Kava** - the Ministry advised that 218 livelihood projects were funded during 2015.
- **Honey Project** - the Committee also queried status of diseases within the honey industry. The Ministry advised that it had completed a baseline survey and the 2016 Budget would provide for a more detailed survey of Asian Bees.

The Committee was advised that further barriers in the honey industry were rising because of stray European honeybees which were starting to become a pest in the villages and the Ministry was looking at the impact on the people and on the local honey varieties.

- **Tenavatu Cattle Project** - the Ministry advised that it had in the last two months now delivered 28 cattle to each of five farmers participating in the project. The lack of slaughterhouses continues to be an issue and there have been no further developments.
- **Giant Snail and Coconut Rhinoceros beetle infestations** - the Ministry advised that it had lost the battle to eradicate the Giant Snail as it was now too widely dispersed in Guadalcanal and so was now in a manage control measure to prevent it migrating to other provinces. The Rhinoceros Beetle and its infestation is still only found in Honiara and the Ministry is liaising with SPC for chemical to trap them.
- **Agro-forestry** - the Committee raised the issue of agro-forestry projects as being logging in another disguise. The Ministry assured the Committee it was only facilitating dual purpose cropping as the meaning of the term whereby cash crops were integrated with forestry.

- **Oil Palm infrastructure** - the Ministry advised that the main constraint of the lack of infrastructure required by investors was a continuing problem and the Ministry was now using logging roads to distribute seedlings for field planting this year. A Malaysian advisor who was to assist the industry has yet to arrive. Choiseul is still under land acquisition, while GPPOL assisting out growers through association.
- **Commodity Exports Marketing Authority** - the Ministry advised that it was liaising with the ministries of commerce and CEMA as a stakeholder but not the responsible Ministry for this project.
- **Bio security Legislation** - the Ministry advised that the legislation had been completed and all was gazetted in March 2015.

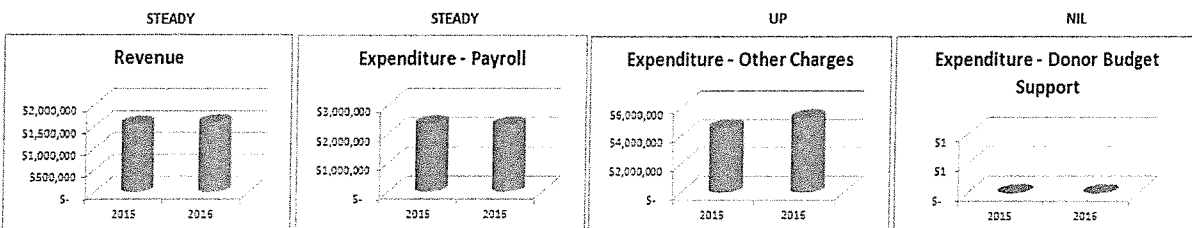
## 71 OFFICE OF THE AUDITOR GENERAL

### Mission statement

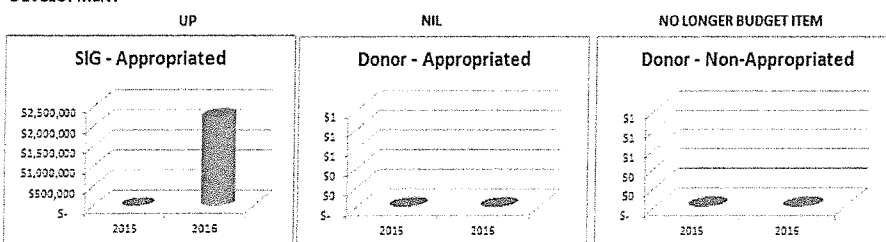
To support the protection of public monies by driving continuous improvement in accountability, effectiveness, efficiency, probity, legislative compliance and accurate reporting of public sector revenue and expenditure across the Solomon Islands Public Sector, through providing a full range of professional independent audit services to the parliament, as our primary client, and to our various auditees.

### Changes in Revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT





### Risks identified by Office due to underfunding of bids

- **Staff training** - the Office sought funding for an increase in staff training as DFAT support to the Office will be winding down in 2016. A submission to Government to reinstate the funding was accepted but is not reflected in the Office budget. Without that funding, training of new recruits expected to commence in 2016 and a planned migration of all staff on to a new business software *TeamMate* will be slowed.

### Office Outputs

Office outputs are described in page 52 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

The Committee did not interview the Office of the Auditor General due to lack of time. Matters raised by the Office of concern through their submissions included the following issues:

- **Independence of the Auditor General** - the OAG is required to meet international auditing standards including safeguarding its independence as the external auditor of the government reporting to the Parliament. The OAG's continued dependence upon the MPS for staffing decisions and the MoFT for financial resources and occupancy of a building separate from the Ministry need to be addressed in the medium term. New legislation has been drafted to codify its independence within the statutory landscape in Solomon Islands. Stakeholder meetings on the legislation are planned to be held during 2016.

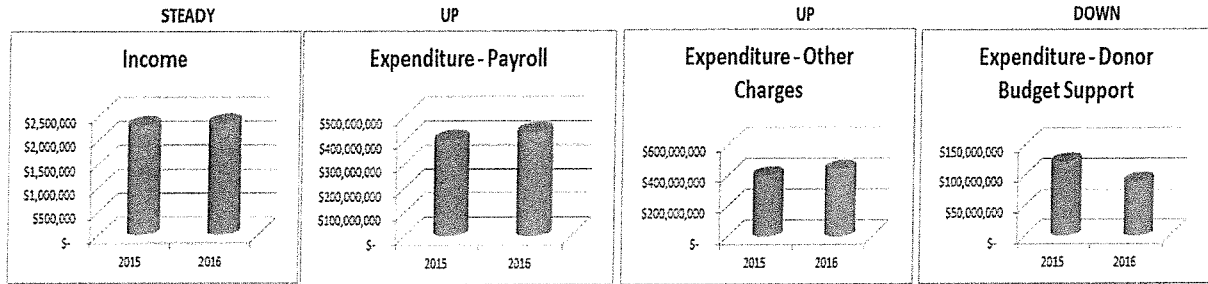
## 72 MINISTRY OF EDUCATION & HUMAN RESOURCES DEVELOPMENT

### Mission Statement

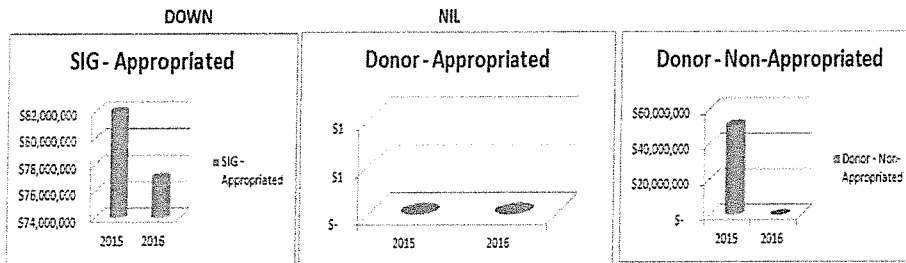
To promote, develop and facilitate Education and Human Resources needs of the country within the framework of the government policies and priorities, as reflected in the Policy Statement (October 2010) of the National Coalition for Reform and Advancement (NCRA) Government, the National Development Strategy, 2011-2020, the National Education Action Plan (NEAP), 2013-2015 as well as in the longer term Education Strategic Framework (ESF), 2007 - 2015.

## Changes in Revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



## Risks identified by Ministry due to underfunding of bids

The Ministry advised that it received full funding requested and did not identify any risks to Ministry functions.

## Ministry Outputs

Office outputs are described in page 55-58 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

Matters raised by the Committee of concern included the following issues:

- **Decrease of \$10 million from donors** - the Committee has questioned the Ministry regarding the decrease of \$10M from Donor funding. The Ministry confirm that under the agreement the government signed with the developing partner - especially New Zealand and Australia, there were terms and conditions including six targets. And from the midterm assessment on Ministry performance which was done by an independent assessor, five targets were met except one which was on scholarships whereby the Ministry was to submit to Cabinet a new Scholarship Policy. Although the policy was prepared, it has been delayed until the new education legislation has been passed by Parliament. The donors also expressed a concern about the increase in number of scholarship in the budget. Although the Ministry planned to have the number of scholarships linked to the Opportunity List, the Ministry also needed to focus on the basic education program.

- **Outstanding teachers' claims** - the Ministry advised that there were two claims in relation to housing and the end year travel allowances. The Ministry advised that it has finally paid the teachers travel on the last pay period 26 November and on the 10 of December and the ministry should be able to pay for the teachers housing allowances. In terms of budget, 2016 Budget caters for both.
- **Transition of SICHE to SINU** - the Committee also questioned the Ministry about the funding bid for SICHE transition to SINU 2015 which was decreased by \$10 million in 2016. The Ministry advised that a proposed \$100M support towards infrastructure development was only part funded by 50% for 2016.
- **USP Campus at DOMA** - the Ministry advised that ADB commissioned studies on academic plans, an economic/financial feasibility study and on culture and environment impact. As a result of those studies the ADB was unwilling to provide a loan to USP and was advised to locate to a more suitable location and a site was made available at King George VI.
- **Tertiary Education Commission** - the Ministry advised that it was supposed to table the legislation during this Parliamentary session, but was required to conduct further consultation on the content of the bill with stake holders at the provincial level/key education authorities.
- **Management of school funds** - given the huge budget compared to other ministries that Committee explored, the Committee question mechanisms in place to monitor the funds and scrutinise at school level. The ministry advised that it has developed and rolled out a grant accounts information system which reports the usage of funds at the school level. The Ministry also developed a Public Financial Manual to regulate the operation of funds at the school level. However, the Ministry acknowledged that there were still issues to address in terms of having the money used and implemented at its purpose. The Ministry with donor partners were also working together to have external auditors to audit the funds at the school level. Head teachers and principals are also being penalised for misusing funds.
- **Quality of provincial services** - the Ministry advised that it had planned to establish nine technical colleges for each province and conducted a feasibility study and identified two colleges to be established in Malaita and Western Province. With the support of DFAT in the next 5 years, they would support technical colleges with quality resources and learning skills, up skilling of students and teachers linking skills to the labour market.

- **Teachers Absenteeism Report** - the Ministry advised that because the findings were linked with outside factors the ministry has come up with reforming Teachers workforce management – at education authority level and school level- to respond to the needs the teachers have expressed.
- **Identification of future training requirements** - the Ministry advised that currently the legislation doesn't cater for tertiary education and early childhood. In the proposed legislation, there is provision for tertiary education to develop further, a proposed structure for tertiary education and once the education legislation is passed it will give the Ministry the power to further trained highly qualified teachers. In order to identify the skill, the Ministry proposes to carry out a quarterly survey to identify skill gaps and training needs. In addition, MDPAC has come up with opportunity list and forwarded it to the Ministry to use during the selection process.
- **MPs education scholarships** - the Ministry advised that it prepared a Cabinet paper which proposed an alternative way of utilising the MP Constituency scholarship fund whereby it would be deposited into a kind of Trust Fund under the management of the Tertiary Education Commission. In terms of the method of selecting candidates by the MPs, the Ministry advised that this was within MPs' prerogative.

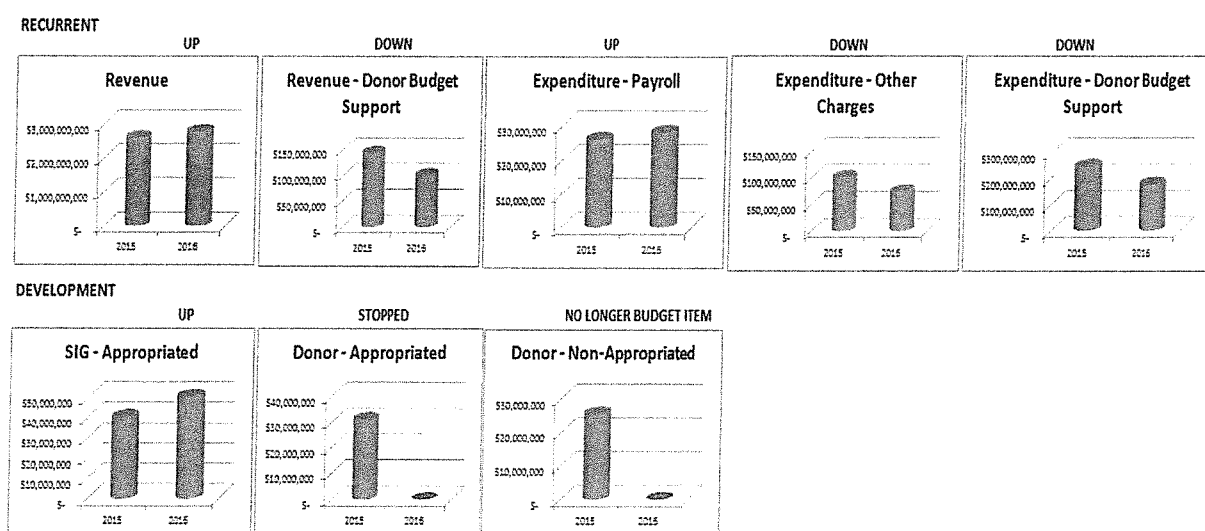
## 73 MINISTRY OF FINANCE & TREASURY

The Ministry of Finance and Treasury is responsible for facilitating the provision of sound advice on monetary, budget and fiscal policy to the Solomon Islands Government (SIG). Ministry services include statistics and economic management to support Government decision making processes and the implementation of good governance practice. The core tasks of the Ministry include financial reporting, revenue collection, border protection, government payments, preparing and managing the Annual Solomon Islands recurrent budget and advising the Government on a range of financial policies and economic reforms.

### **Mission Statement**

The mission of the Ministry of Finance and Treasury is to provide leadership to the Solomon Islands Community in financial matters and deliver high quality, professional financial and economic services to the Minister for Finance and Treasury, the Government, and other Ministries and the wider community.

## Changes in Revenue, expenditure and donor support 2015 - 2016



### Risks identified by Ministry due to underfunding of bids

The Ministry advised that there were two underfunded items in the Recurrent Budget amounting to \$2.3 million that was expected to impact on the Ministry's operations but it did not specify which particular activities affected.

### Ministry Outputs

Office outputs are described in page 64-66 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

Matters raised by the Committee of concern included the following issues:

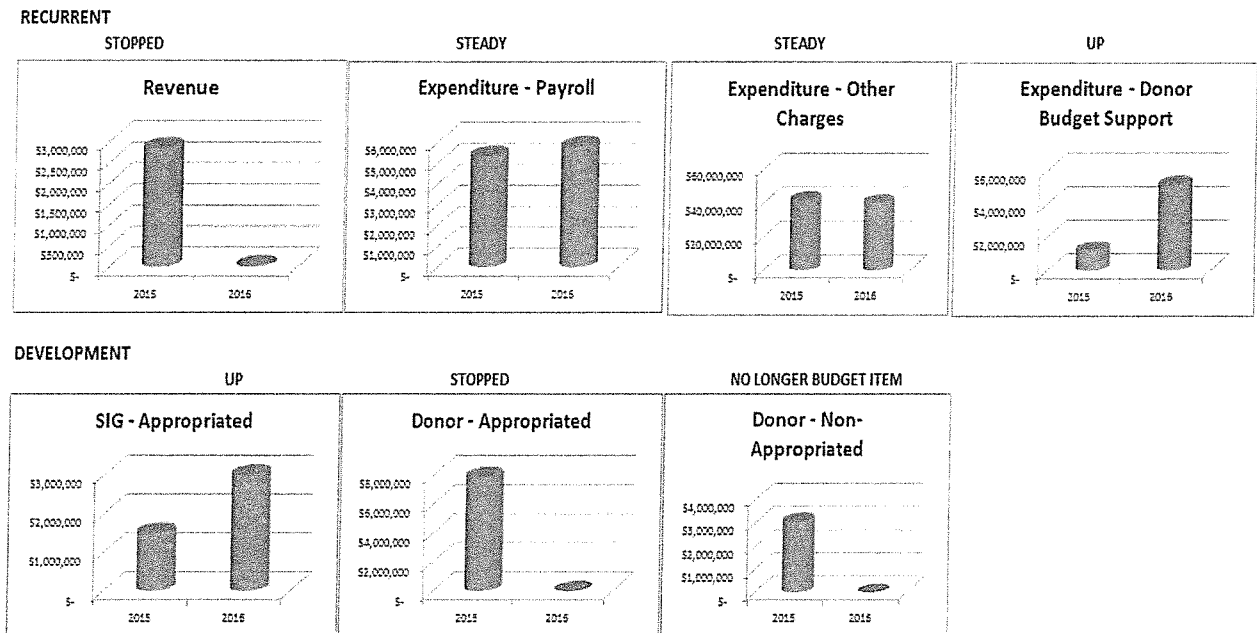
- **Constituency Development Funds guidelines** - the Ministry advised that it was not aware whether the guidelines had been issued. This is of concern to the Committee as these guidelines are now the only governance structure for a substantial part of the Development Budget.
- **Quality of line ministries bids** - the Ministry advised that all Development Budget bids require work plans to accompany those bids in accordance with MDPAC guidelines; and that the Ministry will not process payment vouchers unless a copy of those work plans are attached. The Budget Coordination Committee looks at these issues in terms of alignment with the Medium Term Development Plan as well as any manpower bids aligning with approved line Ministry establishment.

74 MINISTRY OF FOREIGN AFFAIRS & EXTERNAL TRADE

**Mission Statement**

MFAET envisions a sovereign, independent, and peaceful Solomon Islands that enhances economic prosperity and security for its citizens through cultivating diplomatic relationships with other nations and international organisations.

**Changes in Revenue, expenditure and donor support 2015 - 2016**



**Risks identified by Ministry due to underfunding of bids**

The Ministry advised of a number of votes that were underfunded that impacted on the Ministry’s ability to recruit the necessary staff and meet ancillary costs required for operating its overseas missions.

**Ministry Outputs**

Office outputs are described in page 70-71 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

**Other Issues of concern**

Matters raised by the Committee of concern included the following issues:

- **Fiji Chancellery** - the Ministry advised that there were some delays in preparing the site works due to legal issues. A task force has been established to resolve the matter so that site works can commence.
- **Overseas missions** - the Committee queried the current status of a number of overseas missions and was advised that process was in place for an officer to be deployed to Taiwan; the Ministry has a husband and wife team operating in Cuba and Brussels; and funds have been allocated to establish a mission in London. There are honorary Consuls in both Brisbane and Sydney.

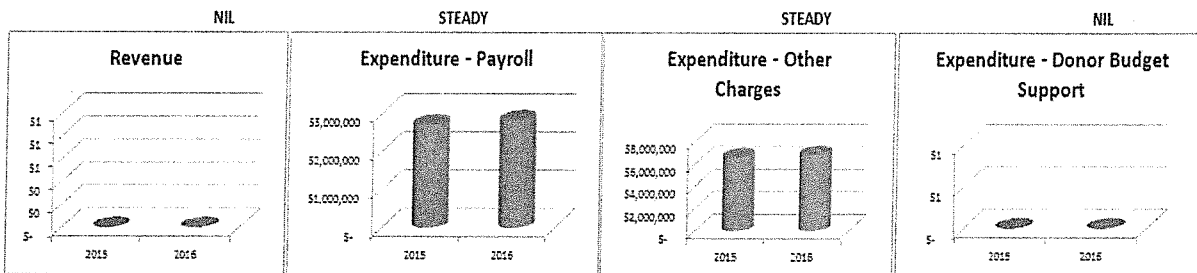
## 75 OFFICE OF THE GOVERNOR GENERAL

### Mission statement

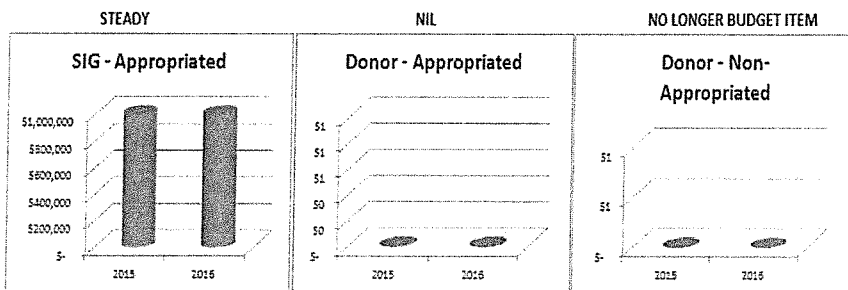
The Office of the Governor-General supports the Governor-General in his role as Her Majesty’s Representative in the Solomon Islands as stipulated under Section 30 of the Solomon Islands National Constitution.

### Changes in Revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Office due to underfunding of bids

The Office identified that there were some cuts in the budget but did not elaborate what impacts that had on the operations of the Office.

## Office Outputs

Office outputs are described in page 74 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee did not interview the Office of the Governor General due to lack of time. However, a written submission was received from Government House.

## 76 MINISTRY OF HEALTH & MEDICAL SERVICES

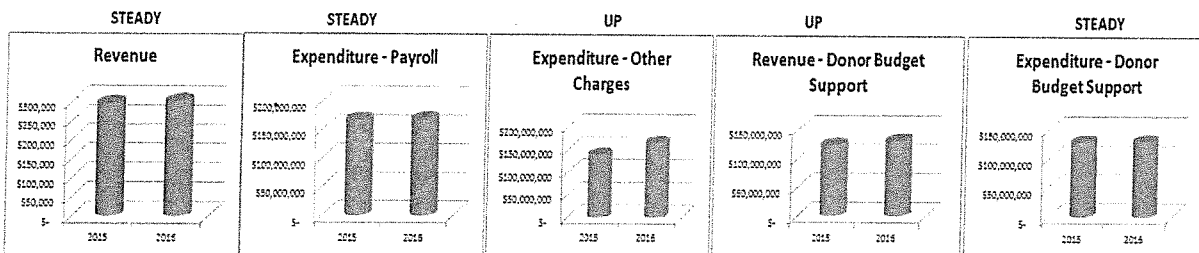
### Mission Statement

The health sector’s mission is to play its part in improving the public’s health status. This will be done through:

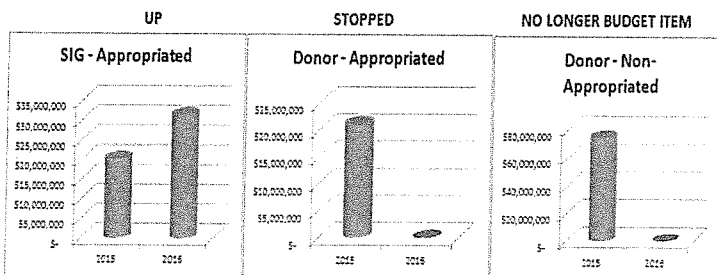
- Proactive stewardship of the sector with a focus on Primary health Care (PHC) and Healthy Islands efforts via active community empowerment and development;
- Building partnerships with communities, other sectors (like agriculture, education, labour, transport, infrastructure, etc.);
- The sector will also plan and manage health improvements with a focus on reducing the determinants of disease and illness including improving disease management.

### Changes in Revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT





### **Risks identified by the Ministry due to underfunding of bids**

The Ministry advised that it received full funding requested for the Recurrent Budget and did not identify any risks to Ministry functions. The Development Budget was nearly halved but there was a significant under-spend by the Ministry in 2015 which was in large part due to lack of technical capacity due to suspended officers not being able to be replaced.

- **Receiving full budget allocation requested but delivering poor outcomes** - The Committee was pleased to learn that the Ministry received all the funding it requested under the Recurrent Budget but the Committee could not reconcile this with the public complaints about the very poor state of the National Referral Hospital. There appeared to the Committee a disconnect between what the Ministry felt was sufficient and the reality of poor rundown facilities without the most basic medical supplies.

### **Recommendation**

The Committee recommends that the Ministry review its planned objectives and Key Performance Indicators of successful outcomes to see why the facilities are in such poor condition with unacceptable levels of service care; and come up with a more realistic budget to properly carry out its responsibilities.

### **Ministry Outputs**

Ministry outputs are described in page 77-84 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### **Other Issues of concern**

Matters raised by the Committee of concern included the following issues:

- **Kilu'ufi and Kira Kira Provincial Hospitals** – the Ministry advised that its Development Budget was underfunded by \$28 million which would directly impact on the ability to develop the Kilu'ufi and Kira Kira Provincial Hospitals. However, the Ministry has yet to develop a master plan with attendant designs and costings before taking the next steps. A contractor has been awarded the work of developing this master plan which includes for the relocation of the National Referral Hospital.
- **Capacity to undertake capital projects** - the Committee was concerned to note that there was a considerable underspending of the Ministry's Development Budget. The Ministry advised that

part of the problem was the very late start for the financial year as well as the problem of six of its technical staff being suspended as result of a fraud case whose positions cannot be filled. The Ministry advised that it was now recruiting some of those positions. This impact on the Ministry in diverse ways such as an inability to operate a testing laboratory which is jointly managed with the Ministry of Fisheries and Marine Resources.

- **Lack of specialised medical equipment** - the Committee has reported on the lack of specialised medical equipment including basic testing equipment which would save a lot of lives when discussing the previous budget. The Ministry advised that there is no space in the current hospital to accommodate the multi-million dollar equipment which then can't be moved if installed - thus there is no budget allocation for the equipment at this stage. The allocation for the major equipment will be funded by donor partners but the release of that funding is based on meeting performance targets.

The Ministry advised that the 2016 Budget includes funds to provide specialised equipment to provincial hospitals.

- **Transfer of National Referral Hospital** - the Ministry advised that consultations were already made with MID. Key members of the hospital relocation committee includes the Ministry of Lands as land is very important. The real challenge is that the development partners want everything be cleared before they can support the project with funding.
- **PPP funding of Kilu'ufi Hospital by Nazar Group** - the Ministry advised that it was not aware of the particular details of this proposal but that in any case a master plan and costings were required before the project could be taken any further.
- **Church run clinics funding** - the Ministry advised that it provides assistance to church owned hospitals and clinics. There are currently 4 church owned hospitals located at Atoifi, Helena Goldie, Good Samaritan and Sasamugga. The Ministry provide facilities and allocate doctors to these hospitals. For smaller clinics they are not directly funded, but the hospitals provides for them. The Ministry receives financial reports from the hospitals. The fund helps to build and renovate the hospital/clinics and supply drugs. Previously doctors were seconded to these hospitals but now the doctors are posted.
- **Provincial Health Services Grants** – the Ministry advised that the administration of the provincial health services grants to date has been paid to Provincial Hospitals but the funding has

not been reaching the clinics. Accordingly, the Ministry is revising the arrangements so that parts of the grants are now paid directly to the clinics.

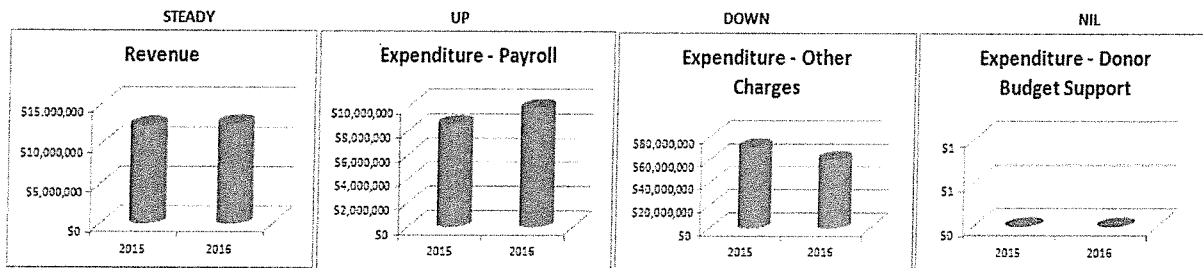
## 77 MINISTRY OF INFRASTRUCTURE DEVELOPMENT

### Mission Statement

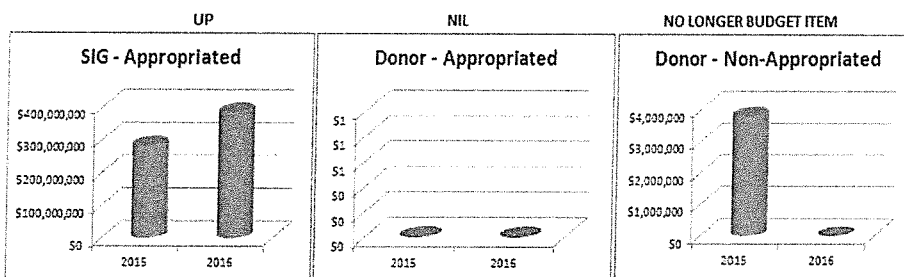
The Ministry strives to provide, regulate and maintain services that support an integrated, efficient, safe and affordable transport system to enable all Solomon Islanders to participate and benefit in economic and social activities that sustain equality, unity and prosperity for the nation.

### Changes in Revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

The Ministry advised that there are a number of underfunded bids in the Recurrent Budget that impacted directly on its ability to function because it would not be able to employ necessary staff or to properly maintain office and residential buildings. The Ministry also advised of an underfunded bid in the Development Budget for the Rural Transport Infrastructure Programme and Shipping Grants Initiative which would reduce the scope of activities under those programs.

### Ministry Outputs

Ministry outputs are described in page 91 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

- **Construction of residences for the Prime Minister and the Speaker** - the Committee expressed concern that the project covered a number of constructions and that the \$38M would be unlikely to cover the cost of the Prime Minister's and Speaker's residences. The Ministry confirmed that the PM's residence was a high priority and if funds were insufficient from this program, unused funds from other programs will be diverted.
- **Shipping Grants** - the Committee questioned the Ministry as to when will the shipping grant policy be available. The Ministry advised that it will distribute copies. The Committee noted an increase in shipping grant from \$30 million to \$45 million in 2016 and was advised by the Ministry that an additional \$5 million was to be allocated for officers to do safety assessments and provide reports for transparent certification.
- **5000 houses for public servants** - the Committee asked if following the proposed skyline project in 2015 whether there were any plans regarding building 5000 public servants houses in 2016. The Ministry replied that at this time they were waiting for planning input and were unable to progress further.
- **Munda International Airport upgrade** - the Ministry advised that progress has stalled due to funding issues raised by the NZ government; however, tenders have been awarded.
- **Kukum High Way rehabilitation** - the Committee asked for a breakdown of cost to be incurred regarding land acquisition, relocation of services and storage areas. The Ministry explained that it had signed MOUs with Telekom and SIEA, and an agreement had been reached in principle with SIWA. The Ministry wanted to get all acquisitions arranged prior to issuing a tender.
- **Rehabilitation of Provincial Wharves Project** - the Committee asked for more details concerning the rehabilitation of selected wharves; whether the wharves have been selected, their locations and whether they will be started in 2016. The Committee also asked about franchised shipping and which routes were not served. The Ministry advised that it has prioritised the wharves rehabilitation and in 2016 it had gone to tender for walls located in Choiseul, Western Province and Malaita. In regards to the franchised shipping scheme, the Ministry has tendered one route while all other routes are covered by existing contracts.

- **Navigation Aids and Installation Project** - the Committee asked whether the funding of \$1.9 million included the installation of navigation beacons. The Ministry stated that it was insufficient for the maintenance of existing beacons and construction of new beacons. The Ministry has to charter a vessel just to maintain existing beacons.
- **National Transport Initiative Program** - the Committee asked if funds will be disbursed from 2015 or just from 2016 onwards on the program and the Ministry advised that as long as the policy was in place it included in 2015.
- **Bypasses at Vura and Holy Cross** - the Committee sought information about the design of the bypasses at Vura and Holy Cross on the proposed road upgrade but the Ministry was unable to assist.
- **Temotu Disaster Housing Program** – the Committee questioned the Ministry on the progress of the ongoing project. The Ministry explained that 862 households were affected by tsunami in 2013. The total budget is \$20 million and could not be funded in a single year and so the funds are being rolled over.

The Committee wondered whether the policies being applied in Santa Cruz of standardised resistant housing design and relocation of households to safe areas could be applied to other risk areas for instance Gizo which was affected by tsunami. The Ministry advised that the Temotu Project was the first of its kind and if successful would be used as a pilot project which could be repeated in other high risk areas.

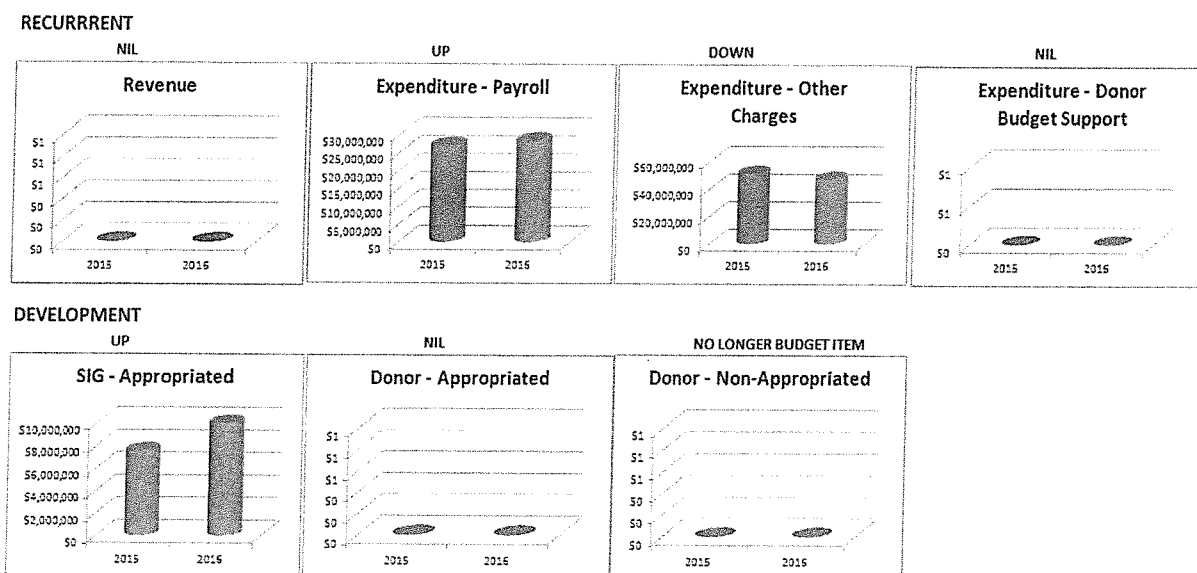
- **Refurbishment of the Green Terrace** - the Ministry stated that of the 30 apartments only 16 have been completed and the balance will be done 4 apartments per year.

## 79 NATIONAL PARLIAMENT

### Mission Statement

As a democratically elected national legislature of Solomon Islands, our mission is to ensure that Parliament exercises its legislative, oversight, representation and outreach duties effectively and that Parliament remains the main forum for national political debate.

## Changes in revenue, expenditure and donor support 2015 - 2016



### Risks identified by the Office due to underfunding of bids

A completed template identifying any risks to Office functions was not received by the Committee at time of this report preparation.

### Office Outputs

Office outputs are described in page 94-95 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

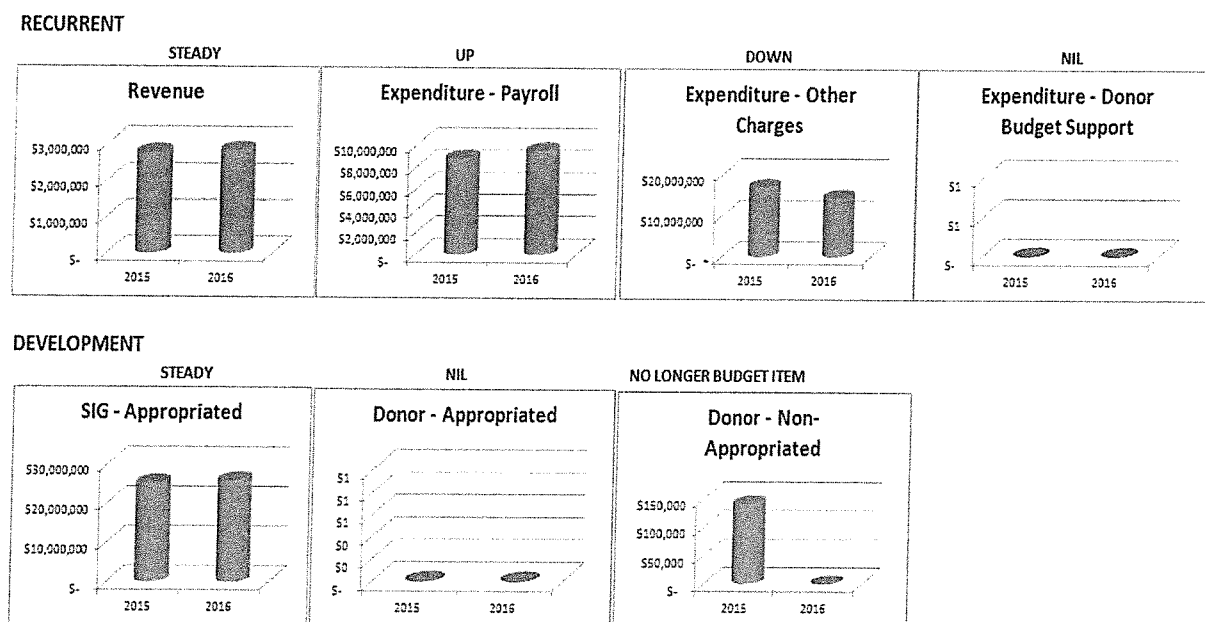
The Committee did not interview the National Parliament Office due to lack of time. However, a written submission was received from the Office.

## 80 MINISTRY OF FORESTRY & RESEARCH

### Mission Statement

To promote, conserve, investigate and manage the nation's forest resources for the optimal of all stakeholders and the environment.

## Changes in revenue, expenditure and donor support 2015 - 2016



### Risks identified by the Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

- **Timber Rights issues management** - during the hearings the Committee was advised by the Ministry of an underfunding of \$1.8 million which will inhibit its ability to better manage timber rights conflict.

### Ministry Outputs

Ministry outputs are described in page 98 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

Matters raised by the Committee during the hearing with the ministry were on the following matters:

- **Status of Logging** - the Committee raised concerns over the issue of sustainability of logging. Logging was expected to begin decreasing in 2015. However, harvesting is still increasing, and the Solomon Islands economy will continue to depend upon logging for several more years.

The Ministry admitted that the logging should have declined by 2015 and that the rate of logging is still high. However, the Ministry expected that it will reduce due to the cancellation of Export Permits and Clearance Permits. The Ministry noted that until now the existence of Clearance

Permits has supported the continuing high level of logging as this allows the clearance of small diameter logs less than 40cm, which would not normally be harvested and exported. Furthermore, the Ministry is unaware of the granting of Clearance Permits as these are issued by the Ministry of Agriculture. The Ministry is only made aware of clearance when the consequential Export Permits are requested.

The Ministry announced that the Forestry Bill has already been deliberated and approved in Cabinet. Consultation with the provinces has commenced with Western, Makira and Choiseul provinces which started this month. The other provinces would be visited in 2016. The Ministry plans to have the legislation in place by the end of 2016.

- **Data – Loggable Forest** – the Committee asked for data on volume of loggable forest and was advised that the information was held by its Forestry Management and Technical Services Division and was publicly available.
- **Local Species Replanting Program** - the Committee queried the new programme bid for planting local species as Akwa and Vasa are not available locally in many places. The Committee was of the view that the program is to be encouraged, particularly as it will be a source of timber for building houses and not much reforestation currently happens. The Committee re-emphasised the importance of reviewing the Forest Resources Timber Utilization Act so that it will force loggers to replant and include downstream processing.

The Ministry advised that the annual target for reforestation throughout the country is 500 hectares but that this target is sometimes not achieved. In the last few years the achievement has been 400 – 450 hectares. Their reforestation division assists landowners in planting – but ultimately this depends greatly upon the will of the landowner.

- **Carbon Mapping Project** - the Committee noted an increase in the Ministry's payroll and the Ministry confirmed that there is one new division REDD + for which one man will be recruited in 2016. Other officers will be recruited to other divisions. For example the Utilization Section has 8 officers to cater for all provinces. From 2016 the Ministry want to extend this section out to the provinces for timber monitoring zone starting with the establishment of an office in Noro (Western Province).



The Ministry explained that that REDD+ is an initiative from the Climate Change Convention, where all developing countries have an obligation to protect forest against deforestation and degradation to mitigate carbon emissions. The focus is on reforestation, sustainable forest management and carbon enhancement. All countries must report emissions related to forestry activities. A standard report breaks down biomass volume per hectare into six land use types (natural forest, secondary forest, agriculture etc). By analysing the carbon content of each plot in a forest, it is possible to gauge carbon emissions increase if that plot is cut. Subsequently this carbon content can be mapped (carbon mapping).

- **Timber Rights issues** - the Committee raised concern in relation to serious injuries or deaths that occur when local people, who in the best interests of safeguarding what they consider is truly their property, take up arms against loggers and middlemen when resources are extracted from the landowners. The Ministry agreed that many had died due to conflict over Timber Rights but that this issue will be one of many addressed by the new Forestry Bill as soon as it is passed. Currently Timber Rights hearings leave people dissatisfied and a new system is needed.

The Committee made the observation that logging is actually leaving many rural communities poorer than before and there is popular support for the Ministry to push the Forestry Bill forward. However, the Committee acknowledges that there needs to be a political will to do so. The Committee also had some reservations about forestry practices such as Agro-Forestry which need better management.

- **New Timber Association** - the Committee commended the recent establishment of this association and questioned the Ministry if there is a data covering the production and export of milled timber.

The Ministry confirmed that data was available if required through the Utilization Section. The new Timber Association will be useful in bringing parties together, promoting SI timber abroad and getting third party verification on the legal sourcing of exported timber. Third party verification work will start in 2016.

- **Herbarium** - the Committee also commented on the establishment of the proposed herbarium to cater for research on native and foreign species. The Committee requested information concerning how the foreign species will be brought into the country. Furthermore, the

Committee sought reassurance in respect of encroachment and that the current squatter can be removed.

The Ministry advised that their inventory of around 30,000 specimens were awaiting import from Fiji, where they are currently stored with Secretariat of Pacific Community (SPC) in Suva. The Ministry has an agreement with SPC that once the National Herbarium Building is refurbished up to standard, the specimens will be transported back to Honiara with the assistance of SPC. The Herbarium must be airtight to avoid damage to specimens by fungi.

The Ministry also supported the idea of fencing to prevent encroachment and this should be completed before the end of the year.

- **Medicinal Plants Project** - the Committee noted the current collaboration with the Korean Institute for Research and similar activity with Taiwan and enquired on the progress made in creating an inventory of medicinal plants including herbal cures sold in the market or any patents arising from this project. In response the Ministry advised that currently there is no inventory as yet; however, it's an activity to be done with National Herbarium and other donor partners.
- **Export permits of Tubi** - the Committee questioned the Ministry on issue of permits for the export of Tubi, which is a prohibited species, but which might become felled during prospecting. The Ministry advised that Tubi is one of Solomon Islands' highest quality species. In an ideal world, the Ministry of Forestry should make all decisions regarding Tubi. However, landowners are going direct to the Ministry of Environment for permits. The Ministry advised that every shipment needed an export permit and the information on size and quantity of Tubi exports is held by the Ministry which can be made available to the Committee.

## 81 OFFICE OF THE PRIME MINISTER & CABINET

### Mission Statement

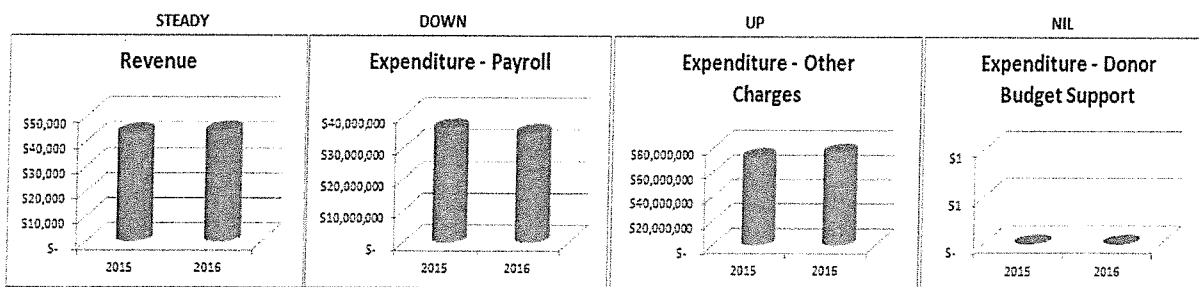
The overall Goal of the Office is to provide leadership for and coordination of all government Ministries and Agencies and to facilitate the delivery of adequate, appropriate and quality services to the people of the Solomon Islands through an efficient and effective system of government.

The Office of the Prime Minister & Cabinet’s roles and functions form the apex of the Public Service, coordinating, managing, and monitoring the implementation of government policies and programs and carrying out the Central Agency role of leading the Service.

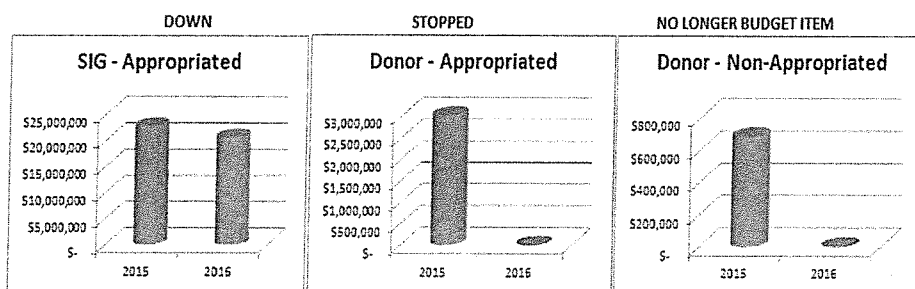
The OPMC has to effectively lead the coordination of the Government Machinery; it has to provide timely interventions, options, advice and relevant information to Cabinet for their deliberation for policy changes or improvement and clear directives; it is the focus for where all policies of the government and the progress on their implementation converge for final assessments of progress; it therefore has the responsibilities of drawing up guidelines, checklists and other instruments for analysis, monitoring and measuring the performance against all government initiatives.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Office due to underfunding of bids

A completed template identifying any risks to Office functions was not received by the Committee at time of this report preparation.

### Office Outputs

Office outputs are described in page 101 - 102 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

- **OPMC Reforms Programme – Anti-corruption Commission** - the Committee asked that bearing in mind that 2015 is a short year, what is the timing of the establishment of the Anti-corruption Commission. The Office confirmed that a Bill had been drafted and was ready to go through the Attorney General's Chambers and be submitted to Cabinet. The Office advised that the Bill needed to go to the last four provinces for stakeholder consultations so that by the first quarter of 2016 it should be ready to be taken to Parliament.

The Office advised that a final draft of the Whistleblower Protection Bill is already with the Prime Minister waiting to go to Cabinet and then Parliament. The Leadership Code Bill is related to the Whistleblower Protection Bill and is also in draft form. The Office was currently looking at how the Leadership Code Bill and Whistleblower Protection Bill may be blended together – also with the Anti-corruption Bill. One consultant working on this but currently returned to home country.

- **Truth and Reconciliation Commission Report** - the Committee noted that funding appeared in the Budget under the \$10 billion OPMC Reform Program. The Office advised that it had appointed a consultant to look at the TRC report. A detailed TOR has been set for the consultant and the expected outcomes are to prioritize and sequence the recommendations, thereafter producing a project document articulating the implementation strategy of the program and its deliverables.
- **Constitutional Reform** - the Committee questioned the timeline for the presentation of a draft Constitution and asked what is the next event towards getting this into Parliament. The Office confirmed that the constitutional reform work program timeline has been approved by the executive. The final draft of the recommended Federal Constitution will be given to Prime Minister in June / July 2016. Three overseas experts will be engaged to assist.

The Office acknowledged the concerns expressed by the general public and by Members of Parliament that this process was taking too long. The Office expected the program to come to a close by the end this year. The responsible unit was getting consultants' input to put together final draft which is expected in mid-2016. Consultant costs are reflected in budget figures. There are some complex issues as to how the Federal Constitution will come into being – it's a constitutional issue for lawyers and experts to deliberate.

The Office engaged three experts in 2013 to draft and cost the new constitution, and the draft Federal Constitution has gone out for regional consultation in 2015. Unfortunately the expert who was costing the Federal Constitution died this year and his replacement has only just been engaged. Full costing of Federal Constitution is now expected to become available in 2016. The Office expects that by 2017 the Federal Constitution will be finished and state constitutions will be prepared off the back of it.

- **Civil works program** - the Committee questioned the office regarding land for the proposed Solomon Islands Independent Commission Against Corruption (SIICAC) office building and the Prime Minister's residence. Furthermore the committee queried the consultants' fees, the total number of consultants, whether they are internal or external and the consultant bid process.

The office confirmed that the proposed Prime Minister's residence will be on the land belonging to the Commissioner of Lands above Lawson Tama.

The SIICAC office complex is planned to be in front of the OPMC building and requests for expressions of interest have been provided to three companies for concept design who will submit their submissions to the tender board for consideration early next year. The Office advised that it did not as yet have detailed costings for the various consultancy fees required.

The Office explained that prior to work starting, preparatory work needed to be done to decide the number of floors needed, the type of building etc. The ownership of the tender process has been taken by MID and MOFT, with OPMC acting in a facilitating and supportive role. MID felt that there were only three credible companies available in country to make their presentations to the tender board.

- **Political Parties Integrity Act review** - the Office advise that the Political Parties Integrity Act is currently under review and the Government expects to receive the final report from the review committee in early 2016 and recommendations to improve the Act will be considered by Cabinet. A supplementary initiative is being prioritized by the government, which is the Electoral Reform Act – that reform will augment and strengthen the Political Parties Integrity Act. The Office is targeting the first week of July 2016 to deliver the new National and Provincial Election (Further Provisions) Bill to the Prime Minister and Cabinet for enactment by Parliament.

- **Legislative program** - the Committee cautioned that the government had a very ambitious legislative program to introduce within short timeframes with limited resources. Furthermore, the Committee observed that a number of ministries who have before the Committee already had potential public-private-partnership (PPP) arrangements in place – like Nazar and Skyline. However, other ministries did not have knowledge on how to initiate such PPPs. The Committee’s view is that it is the line Ministries who should be spearheading such initiatives and requested the Office to advise whether there is a coordinating committee or office which could bring a coordinated approach across the ministries and to bring PPPs to reality.

The Office advised that this was an area that they hope to improve and are coordinating with the line ministries. The Office is trying to work on cluster groupings, but for some ministries PPP is a new concept, with some ministries not attending roundtable meetings.

- **Constituency Development Fund Operational Guidelines** - the Committee raised question on the status of the operational guidelines but the Office was unable to provide information as to whether or not it had received final Cabinet approval will be distributed to Members.

## **83 MINISTRY OF POLICE, NATIONAL SECURITY & CORRECTIONAL SERVICES**

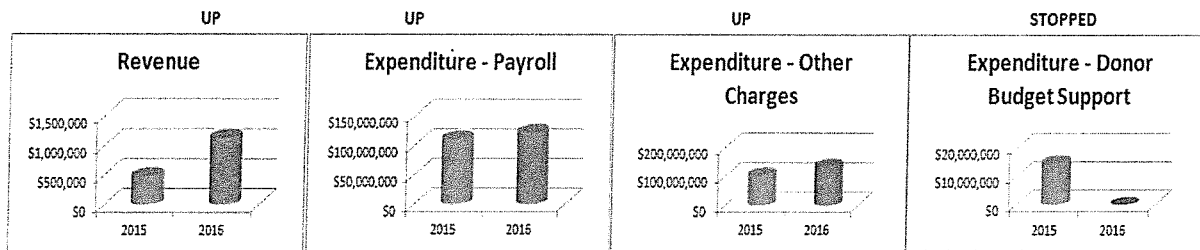
### **Mission Statement**

The overall objective of this Ministry is to contribute to a safer and secure environment through the provision of high quality policing service, humane containment and the rehabilitation of prisoners.

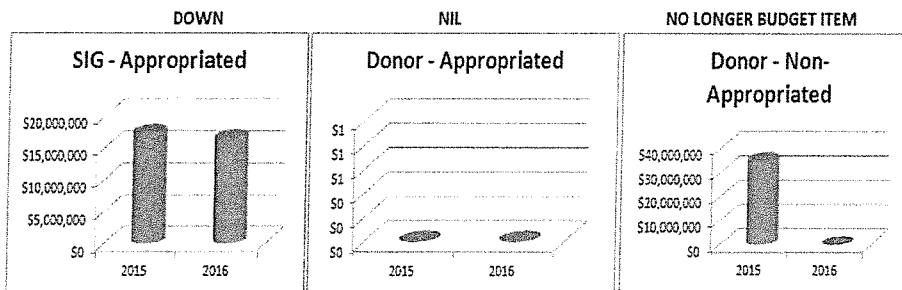
“Professional, effective and ethical Police and Correctional Services for the maintenance of Law and Order, Good Governance and Human Rights”

## Changes in revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

The Ministry drew attention to an underfunding of bids submitted of \$78,892,660. The Ministry advises that these cuts will have major impact on the national security of Solomon Islands.

The Ministry advised that bids were made purposely to maintain the gains made by RAMSI in National Security, Policing and Correctional Services when RAMSI exits in 2017

If the Solomon Islands Government does not increase the Ministry Budget as suggested by the *Appropriate Cost of Policing Report* commissioned by the Ministry, then it is likely that the RSIPF and CSSI will not be able to provide adequate services when RAMSI exits.

The 'true cost of policing' report predominately focused on a sustainable, achievable and affordable cost of operating the RSIPF beyond the PPF Drawdown and cessation in 2017 with a recommend increase in funding to the RSIPF budget to 3% GDP being a considered more comparable level of funding. The proposal was endorsed by the RSIPF and submitted to the Ministry for Police and National Security (MPNS&CS) and the Solomon Islands Government (SIG) for consideration.

### Recommendation

The Committee recommends that the Government reconsider its commitment to fully funding the agencies responsible for maintaining law and order so that when RAMSI leaves the country is not threatened with a return to instability and lawlessness.

### Ministry Outputs

Ministry outputs are described in page 106 - 107 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

- RAMSI drawdown** - the Committee raised a question about the reduced budget bid that the Ministry made; will this undermine the RAMSI draw down? Did the Ministry make vigorous representations to the government? The Ministry explained that the discussions have been ongoing with government about budget – and reflects true cost of policing. It was recognized that it was going to be difficult to achieve a big jump in one budget cycle – comfortable in the funding as a start rather than as an end point. However longer term, funding in line with “Cost of Policing Report” needs to be done or RSIPF will find it hard to function. A number of areas in bid were not funded – in particular allowances – under Police Act 2013 there were increases in allowances and it was hoped to be able to pay these in budget year 2016. Permission has been granted to bring back allowances to the table in supplementary hearing in mid-year. Furthermore housing cost pressures are increasing, as more housing is needed for additional staff and rents rise.
- Payroll Budget increase** - the Committee questioned the increase in payroll in HQ, Corrections and RSIPF and the Ministry explained that staff recruitment is to “back-fill” for those leading due to retirements, death and resignation plus on-going significant recruitment in 2016 and the promotion of officers to higher ranks to fill vacancies.
- Workers Compensation** - the Committee noted a revised budget of \$75m to end of 2015, with a bid for just \$22M in 2016. The Ministry explained that in 2014 it bid for \$22M for budget year 2015 but was not allocated the amount bid. This was not bid for 2016 budget, but this amount was allocated.

The Ministry advised that ex - police officers who are entitled to work compensations are those who worked during the ethnic crises and confirmed that there is no number and amount available.



- **Reconciliation Program Grant** - the Committee noted that the grant has been significantly reduced to \$85k in 2016, compared with \$425k in 2015 budget. Ministry confirmed that it will carry out reconciliations with the budget it has been given.
- **Police Post in Mono and Kariki** - the Committee said that they have heard that police post will be established on the border in Mono and Kariki, however there is no budget identified for these. The Ministry assured the committee that there is a committee formed (border agency) comprising RSIPF, Foreign Affairs, Customs & Immigration looking at issues around the border and coordinate patrol in border. Also the Ministry confirmed that there will be staff police in Mono Police Post.
- **Security Rearmament** - the Committee was concerned that security rearmament was not in the budget. The Ministry confirmed that rearmament has been budgeted for and community consultations conducted and it has shown significant community support if it is properly managed. The Armory and NRD facility to store firearms is almost complete, and is being built at Rove HQ, scheduled for completion December 2015. Work around governance and commissioners orders is almost completed. Weapons required for armament have been identified and Ministry is waiting on a Cabinet decision to go-ahead and buy-delivery 2 to 3 months. Money was made available in 2015 budget to purchase weapons. The Ministry also confirmed that the three units to be rearmed are the police response team, close protection team and airport police.
- **Infrastructure Program** - the Committee raised questions in regards to infrastructure that whether there is a plan to build a prison in Choiseul. The Ministry advised that the ministry has some intention to set up centers for rehabilitation in provinces.
- **Police housing in Malaita** - the Committee also raised concerns over the development budget and queried the status of the project of police housing in Malaita, in particular those attached to the Atori and Maka police stations. The Ministry confirmed that the construction of police housing in the plan and in the 2016 budget for \$16.5M.
- **Burnt Down Police Post** - the Committee raised concerns over the burnt down police post in Border line and Babanakira that rebuilding does not appear in the budget. The Ministry explained that for the border police post it will not be rebuilt - however the Ministry will improve and redevelop Naha police post to cater for that area. In regards to Babanikira a new police post has been built in Kamati.

- **Subscriptions - membership to overseas bodies** - the Committee requested clarification for the subscriptions of \$6 million which did not appear in 2014 and 2013 on the subscriptions. The Ministry explained that these are for membership fee for INTERPOL, Pacific Islands Chief Police Forum and MSG police commissioners' forum.
- **Fluctuating appropriations for specialized equipment** - the Committee questioned the Ministry regarding special equipment of the total of \$1 million in the recurrent budget which in 2014 allocation of total of over \$2 million but which in 2015 reduced to \$75K and in 2016 moved to \$1 million. The Ministry confirmed that this specialized equipment allocation mainly relates to purchasers of firearms.

## 84 MINISTRY OF PROVINCIAL GOVERNMENT & INSTITUTIONAL STRENGTHENING

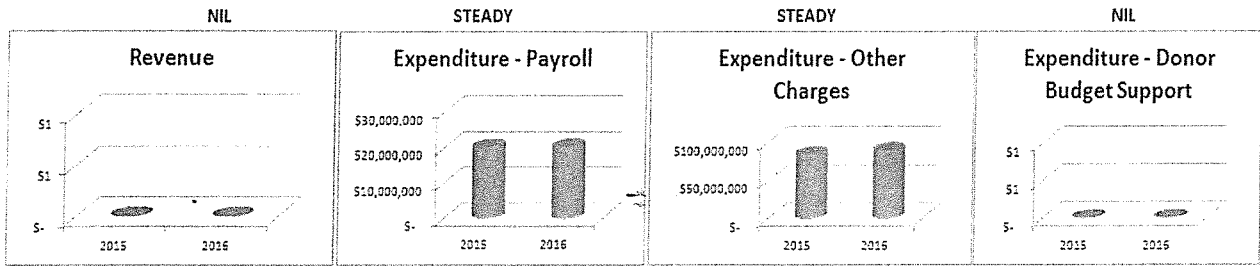
### Mission Statement

To strengthen the Provincial Government system, MPGIS will;

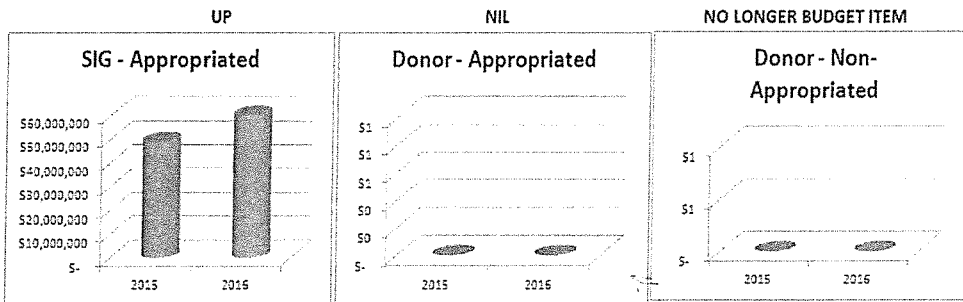
- work towards an appropriate balance between the responsibilities of Provincial Governments, the resources available to Provincial Governments, and the capacity of Provincial Governments.
- support the decentralization process through a systemic and feasible delegation and devolution of functions, mandates and budget thus bringing decision-making and services closer to its citizen
- ensure the necessary accountability, transparency and participation mechanisms, and work towards free and fair elections.

## Changes in revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

### Ministry Outputs

Ministry outputs are described in page 110-114 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

- Provincial Town Development program** - the Committee sought details of the activities conducted under the program and the Ministry advised that had spent about \$15 million to date on the program. The ministry is encouraging the provincial governments to work in accordance with their Provincial Ordinances to properly manage their towns/health. The Ministry is assisting because the provincial governments are not properly equipped with necessary equipment or resources.

#### *Huaro Township Makira*

With respect to Makira it had finalised payment of Huaro land and the Makira Provincial Government was to come up with a plan. Township surveys were carried out and documented

to ensure that it was properly done. The Makira Provincial Government has to come up with a good master plan and identified where to locate the township.

*Relocation of Taro Township away from Choiseul Bay, Choiseul*

For Choiseul there was an ongoing program including consultations as well as a topographic survey – the reports from these have been finalised and in 2016 work will be undertaken on water infrastructure, solid waste management and sewerage. The local planning team is being managed by the Ministry of Lands and when completed will form an official town plan. The Ministry advised that the relocation away from Choiseul Bay will be an expensive exercise.

*Doma Township, Guadalcanal*

For Doma Township there are a number of technical issues and the site will be required to be revisited in consultation with the Guadalcanal Provincial Government as there are issues between the provincial government and the consultant engineering contractor.

- **Review of the Provincial Government Act** - the Ministry advised that this review will need to be done gradually in sections as the provincial governments come to grips with the new Federal arrangements and the Ministry predicts that this could take over a decade to complete.
- **Fluctuating funding for workshops** - the Committee was concerned that the high variation between years on workshops but was informed by the Ministry that the fluctuations were a result of a decision made to only hold Premiers Conferences every second year instead of every year.
- **Allocation of Fixed Service Grants to Provincial Governments** - the Committee expressed some surprise over the varying amounts of funds provided under Fixed Service Grants to provincial governments and the Ministry advised that there was a formula which comprised a mix of population size, and 80/20 rule and a 60/40 ratio between recurrent and development expenditure. Although some of the smaller population provinces do not get as much funding, the formula actually provides them with greater per capita funding than the larger provinces.
- **Ward profiling** - the Ministry advised that funding was being provided to develop ward profiles as part of the Provincial Governance Strengthening Project which incentivises provincial governments to increase infrastructure development within their provinces through improvements in their development planning and management of public monies.

The ministry is working on getting a planning specialist especially to do monitoring and evaluation of the program as well as engage a local grant specialist and an expert to assist in provincial capacity development. The Ministry will engage locals to do the work. The performance assessments will continue to be engaged using specialists in auditing and financial management and the Ministry will continue to work with World Bank and UNDP.

## 85 MINISTRY OF LANDS, HOUSING & SURVEY

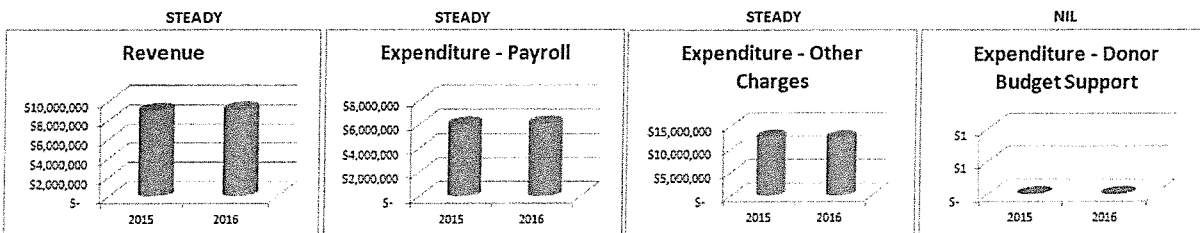
### Mission Statement

“To ensure that the Solomon Islands Government is supported by a Professional team and efficient land management system that contributes to social stability, economic growth and sustainable environment.”

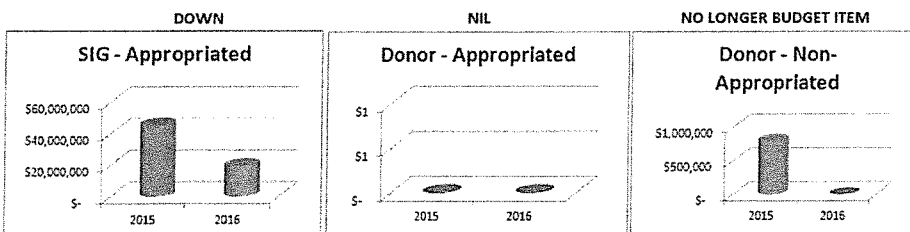
The Ministry of Lands, Housing and Survey is responsible for providing land and survey policy directives including planning and advisory services in land matters throughout the country. These professional services include management, planning, surveying, valuation, mapping, regulations and legislation, compilation and dissemination of information relating to land usage and development.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

Despite a 60% under funding of the Ministry’s Development Budget from \$12 million down to \$4.5 million for its Customary Land Reform program, the Ministry did not identify any major impact on its program for 2016.

### Ministry Outputs

Ministry outputs are described in page 117-121 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

- Skyline public servants housing project - the Committee asked if any budget had been set aside for the 5000 public servant homes under the Skyline housing project and the Ministry advised that it was still waiting for further instructions from Cabinet and had 80 – 100 hectares available which could bring in up to \$80 million per year in rentals.

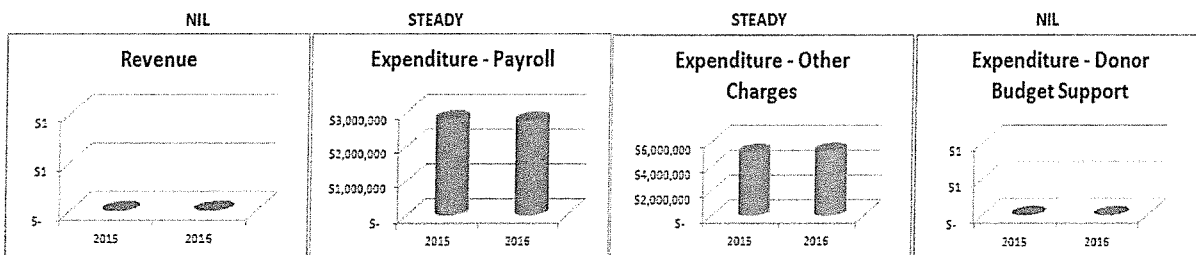
## 86 MINISTRY OF DEVELOPMENT PLANNING & AID COORDINATION

### Mission Statement

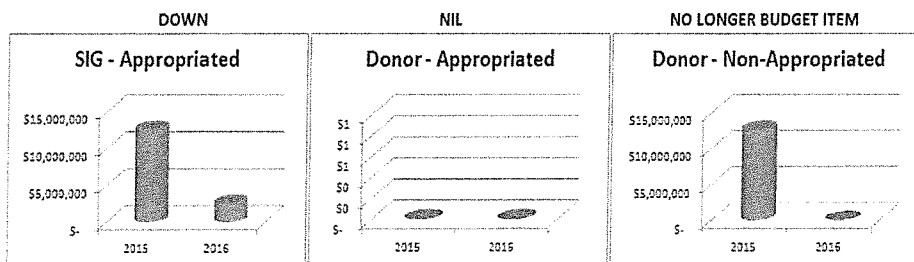
Enhance economic and social well-being of the people of Solomon Islands through maximum participation in economic development and by fostering co-operation between National, Provincial Governments and Communities and between development partners in order to maximize utilization of development resources to the benefit of the people of Solomon Islands.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

The bid of \$10 million to fund Phase II of the Rural Development Project (RDP) was not funded in the 2016 Development Budget. Although the Ministry submitted the necessary documentation to release the funds in 2015 this did not happen. The Ministry did not describe the consequences for the lack of this funding for Phase II of RDP.

## Ministry Outputs

Ministry outputs are described in page 124-125 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

- **Phase II of the Rural Development Project** - the Committee followed up the question about the lack of funding for Phase II of the Rural Development Project which the Ministry had costed at \$10 million. The Ministry advised that the second phase of the project commenced in March this year and most of its projects had been funded by World Bank and Australia. In 2015 the program was allocated with \$10M agreed over a five years period and a work plan had been produced to support the bid.

Although there is no provision in 2016 for SIG funding of the program, the Ministry was confident that there are sufficient funds from World Bank and Australia available to enable the projects will continue. In 2017 the Ministry is confident that it will be successful in obtaining SIG funds once more towards implementation of the projects.

- **Aid Management Coordination Strategy** - the Committee queried the status of the Aid Management Coordination Strategy progress to deal effectively with aid partners. The Ministry advised that work had been done last year on the arrangements and a proposal was about to go to Cabinet when the government changed after the General Election at the end of 2014. The DCCG government requested the Ministry to revisit the policy and also include a partnership framework in that policy. The Ministry will engage the services of a technical adviser and convene a workshop to review the policy.
- **Review of the National Development Strategy (NDS)** - the Ministry advised that an ADP consultant was engaged to review the strategy with a timeline of up to 2030 looking at alignment with the recently agreed Sustainable Development Goals (SDGs). The Ministry is to develop a 20 year National Development Strategy and work commenced in May with the assistance of a ADB

funded consultant. The consultant is to review performance of NDS 2011-2020- and based on that review the results will be used as a reference to develop the 2016-2035 strategy.

The framework of the NDS has been done and endorsed by Cabinet and discussions conducted with provincial governments, NGOs, churches and communities on the NDS framework. The exercise has been completed and a draft is being assembled for further consultation with stake holders to ensure the strategy is acceptable and implementable.

In terms of adoption of SDGs into the NDS, the number of objectives has increased from eight under the Millennium Development Goals to 17 objectives and 169 target which will be incorporated into the NDS.

- **Scholarship opportunity list 2017** - the Committee was concerned to ensure that there was full consultation on the development of the 2017 scholarship opportunity list. The Ministry assured the Committee that it had consulted with the Ministry of Education for 2016 and the submission has indicated the focus area after consultation with line ministries, private sectors, NGOs and communities.

The Training Board has had its first meeting after the training policy has been developed in selecting for the opportunity list.

- **Retention of newly graduated staff** - the Committee also question how the MDPAC and MEHR facilitate graduating student with available job within the Ministries. The Ministry confirmed that this is a question that needs attention as there is no control over SIG sponsored student having the freedom to work in the private sector or public service. Further, ministries have their own preferences to make and tend to award scholarship in accordance with their own priorities.
- **Solomon Islands National Infrastructure and Investment Plan (SNIP)** - the Committee queried the rate of implementation of the SNIP and the Ministry advised that in terms of expenditure, as of 18 November, the progress was 48% with claims in the pipeline that would drive it up to 80%. However, the Ministry has limited information on physical progress and feedback from the line ministries and suggests that the projects' progress very slow.



The Ministry advised that the SNIP was introduced by last government as part of the NDS and was launched in 2013. This year the SNIP was reviewed but there hasn't been much progress in implementation.

- **Flash Flood Recovery Plan** - the Ministry advised that it had put together an action plan which only recently was submitted to Cabinet. In relation to the implementation plan, there are activities, project/plans that have been taken by the Ministry through their budget and incorporate it into the line ministries' budgets. For example, MID has put in tender for the shelters in Temotu, while MALD has incorporated the activities in the RDP programs killing the gap.
- **Ineligible expenditure in donor funded programs** - the Committee expressed its concern over ineligible expenses which have not been accepted by the European Union - is that still plague projects. The Ministry advised that a lot of these expenses were incurred by external experts when managing various programs of the EU. As a result, a new mode of approach has commenced to mitigate this problem and the Ministry makes sure that projects can produce receipts so that expenditure can be eligible. In addition to that training workshop has been conducted by EU personnel to better understand the process and procedure.
- **Alignment of donor funding and development priorities** - the Ministry confirmed the exercise it has been doing - the Debt Management Cooperation Policy and the Partnership Framework it has been working on. A lot of donors have been requesting this as it has been difficult for donors to provide the kind of information the government needs.

There are bilateral agreements for aid partnership for development with New Zealand and Australia so that kind of aid provided is effective and in line with government priority. The ministry also advised that as soon as the NDS is launched, they will have another meeting with aid partners and stakeholders. All stakeholders will be briefed and get their various programs within NDS. The Ministry advised that it was contemplating how to have measures developed for the NDS so that the Ministry is able to identify and better map progress with the NDS.

- **Progress of European Union EDF11** - the Ministry advised that for EDF11 there was the regional NIP and national Program - the Regional program was signed in June this year for all member countries of the Pacific and now they are working on the implementation of the programs including designing those programs to align with the NDS as well as the donors.

- Ministerial Development Programs** - the Committee also questioned the success of ministerial development plans in supporting their development budget. The Ministry advised that where line ministries are required to submit their plans to MDPAC and then MDPAC reviews them before authorising the release the funds. There was a committee also to deliberate on the submissions to ensure that requirement are in order..

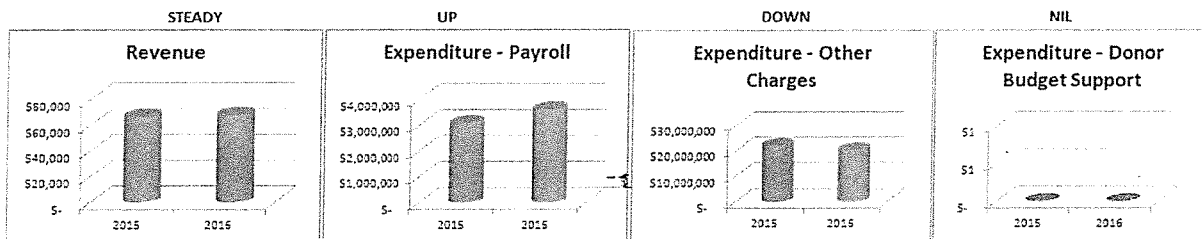
## 87 MINISTRY OF CULTURE & TOURISM

### Mission Statement

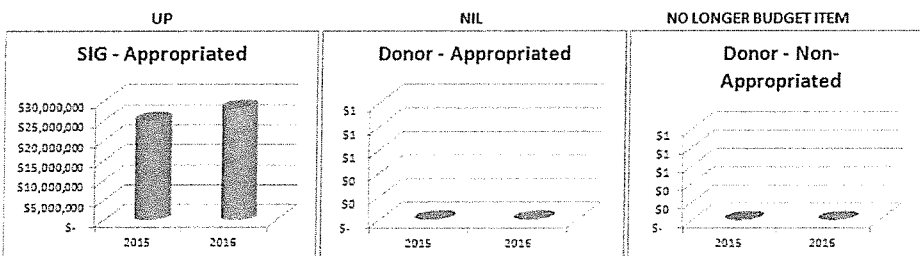
The Mission of the Ministry is to increase the impact of tourism on economic growth in the Solomon Islands by developing a dynamic, sustainable and private sector driven industry. The ministry is aware of the fact that sustainable tourism development must be sensitive to the unique cultural and environmental legacy of the nation. It must also empower local communities and bring economic benefits to rural populations by creating jobs and reducing poverty. The ministry is also responsible for the protection, nurturing and promotion of the Solomon Islands' unique and diverse cultural heritage.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation. However, during the hearing the Ministry advised that it had been fully funded in the 2016 Budget except for attendance at the Guam FOPA in 2016.

- **Underfunding of bid to attend Guam FOPA in 2016** - the Committee explored what the impact was if money was not forthcoming and the Ministry advised it would reduce the size of the contingency but that it was confident that the MOFT will provide the funds upon receipt of additional details it requires

## Ministry Outputs

Ministry outputs are described in page 128 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

- **Panatina Cultural Village** - the Committee was concerned about the state of the village given that it has been identified as a site for the Melanesia Arts Festival to be held in 2018 and that it is within the grounds of SINU. The Ministry advised that agreement had been reached with SINU in terms of jointly maintaining the village in future as well as allowing the site to be used as a tourist attraction for cruise ships. The Ministry advised that it was expecting eight cruise ships in 2016.
- **Public funding of eco-tourism ventures** - the Committee enquired as to how many beneficiaries were successful in their ventures given that there appears to be a high level of failure and no tangible benefits resulting; and what lessons have been learnt by the Ministry. The Ministry advised that it was introducing monitoring and evaluation procedures for all projects and will be employing youths to undertake the surveys. The lessons learnt out of the surveys will be made available to all stakeholders.
- **Cruise ship passenger terminal** - the Committee queried the budget figure of \$4 million to complete construction is being too low and the Ministry advised that the terminal was being co-funded by SIPA with a further \$4 million. Should this be insufficient to complete the Ministry will seek additional funds.
- **Unlicensed accommodation operators not paying bed tax** - the Committee followed up its earlier recommendation that the Solomon Islands Visitors Bureau (SIVB) take legal action against unlicensed operators who are not paying their bed tax and the Ministry advised that it currently had three cases before the courts.

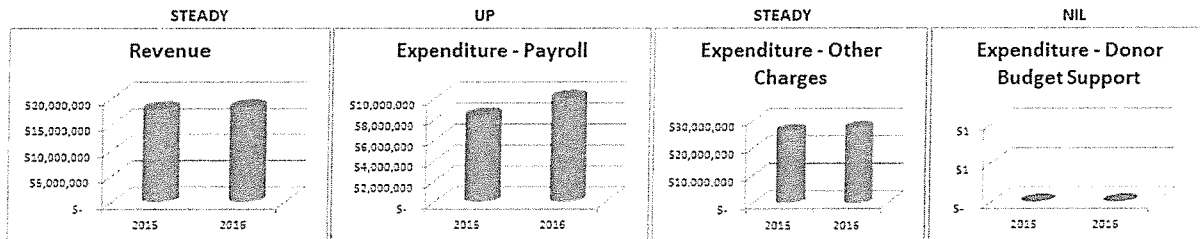
88 MINISTRY OF COMMERCE, INDUSTRIES, LABOUR & IMMIGRATION

**Mission Statement**

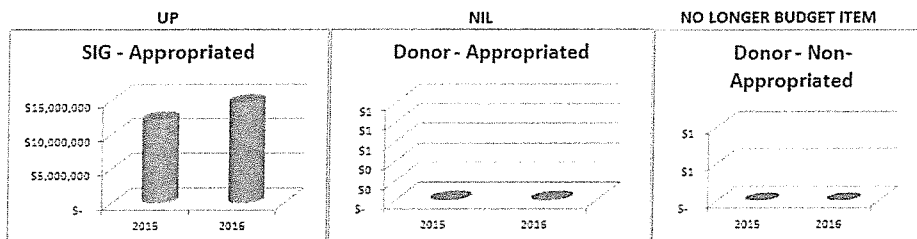
The primary purpose and objectives of the Ministry of Commerce, Industry, Labour and Immigration is to provide an effective and efficient in the delivery of services that will enhance, promote and generate growth within the private sector thus create a vibrant and progressive economy. It is the business of the Ministry to provide Business Services where they are needed and access to financing Solomon Islanders to actively participate and engage in Small and Medium Enterprises. To continuously review its institutional arrangement with a view to building a better, flexible labour market that favours private sector growth ensuring real growth is achieved through the creation of increased business opportunities, creation of employment opportunity, improved product development, equitable participation by both foreign and local investments, efficient legal and administrative process and the acceleration of technology and industry.

**Changes in revenue, expenditure and donor support 2015 - 2016**

**RECURRENT**



**DEVELOPMENT**



**Risks identified by the Ministry due to underfunding of bids**

The Ministry described underfunding of a number of bids in relation to passport production, staff housing maintenance, canoe purchases, training for small provincial business operators, overseas investor marketing, industrial estate and economic growth centre developments, and national private sector support projects. Most of the underfunding was significant and up to 100% non-funding. The Ministry stated that those programs will not be able to be progressed during 2016.

The Ministry also made a case for the \$31.5 million funds allocated to the Ministry of Rural Development for economic growth centre projects should be reallocated to the Ministry now that it is responsible for those projects. In addition the Ministry made a case for the Mamara Tasifarongo Mavo Township Development Project to be included in the 2016 Budget at a cost of \$1.5 million.

### **Ministry Outputs**

Ministry outputs are described in page 131 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### **Other Issues of concern**

The Committee raised the following issues of concern:

- **Enforcement of labour laws** - the Ministry admitted that it is not resourced to be able to effectively monitor prices and the function is being transferred across to MOFT.
- **Project management** - the Committee expressed its concern that the Ministry did not appear to be very effective in prioritising and implementing its projects and recommended that the Ministry take control of its project pipeline. The Ministry agreed that the new leadership in the Ministry needs to take stock and better manage its projects including through the development of policy and work plans.

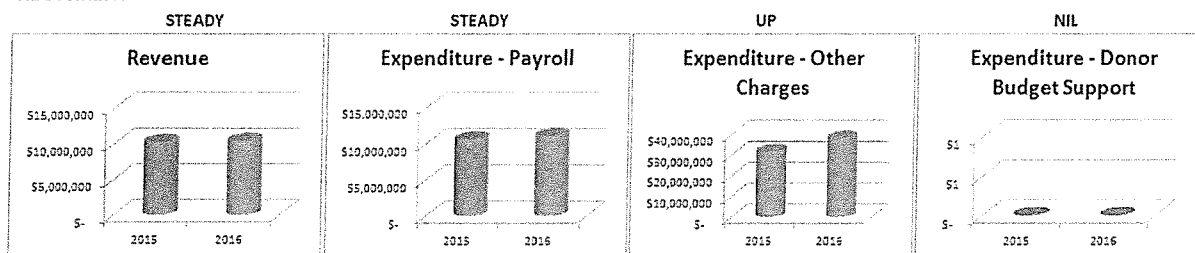
## **89 MINISTRY OF COMMUNICATION & AVIATION**

### **Mission Statement**

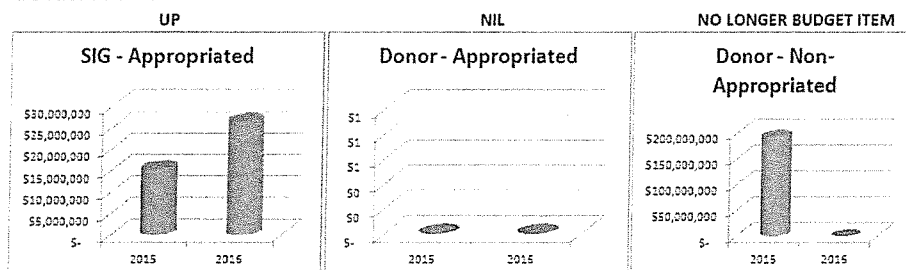
The Ministry aims to rehabilitate and upgrade all Civil Aviation infrastructures and facilities throughout the country and provide efficient, effective and reliable Communication and Civil Aviation Services that are timely, accurate, safe and secure while meeting all regulatory requirements.

## Changes in revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

The Ministry described underfunding of a number of bids in relation to salaries for fire fighters, mandatory international membership fees in relation to airport and postal union obligations, and a halving of a bid to upgrade the international airports. The Ministry stated that Solomon Islands will fall in arrears with the subscriptions, or progress the upgrading of the international airports needed to attract tourists.

## Ministry Outputs

Ministry outputs are described in page 134 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

- **Munda airport infrastructure** - the Committee queried the status of additional infrastructure required at the Munda international airport for it to be fully operational and the Ministry advised that phase 2 of the construction involved the correction of fences lighting navigation aids and fire fighting equipment. Tenders have been called but New Zealand did not put in their tender.
- **Henderson airport maintenance contracts** - the Committee enquired as to whether or not the contracts went through the Central Tenders Board and whether or not they were open or closed tenders. The Ministry advised that their actions were put in place by the previous management and the current awards are based on monthly contracts. The Ministry is acquiring its own

equipment so that it can issue longer term contracts but the Committee took the Ministry to task as needing to take responsibility for the management of its portfolio and insisted that it follow well-established Financial Instructions and procurement procedures.

- **Completion of Maanaoba Airfield** - the Committee enquired as to the current status of the outstanding contracts for Maanaoba airfield and the Ministry advised that it was working with Attorney Generals Chambers to get legal advice on some of the claims as there are MOUs and Deed of Settlements with two landowner groups but an additional landowner group is now threatening to disrupt flights. This conflict is complicated because the Government is no longer willing to continue to fund outstanding claims.
- **Management of airspace** - the Ministry advised that Solomon island airspace fees are managed and collected by Australia and charges 60% for the service. Once the Non-Directional Beacons are installed Solomon Islands will be able to take responsibility for its own is airspace. The Ministry advised that with the current promotion of Solomon Islands as a tourist destination the airport are starting to become quite congested and it is currently talking to donors such as Japan to see if it can expand its facilities to accommodate the additional aircraft passengers.

## 90 MINISTRY OF FISHERIES & MARINE RESOURCES

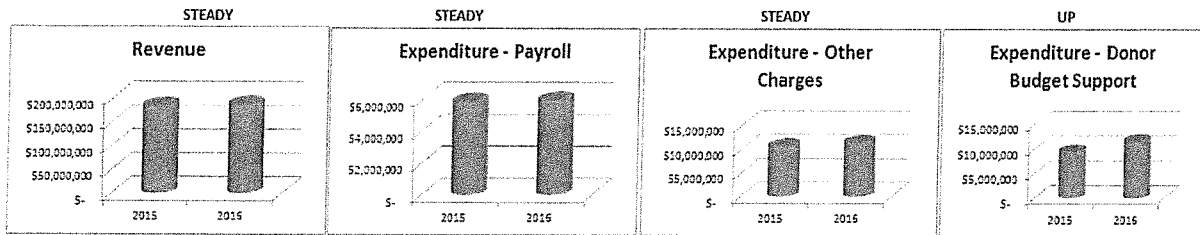
### **Mission Statement**

The Ministry of Fisheries and Marine Resource (MFMR) leads the challenge to sustainably manage and develop the nation's offshore and coastal fisheries, is active in promoting Community Based Resource Management, and aims to contribute to the sustainable management of the region's offshore marine resources.

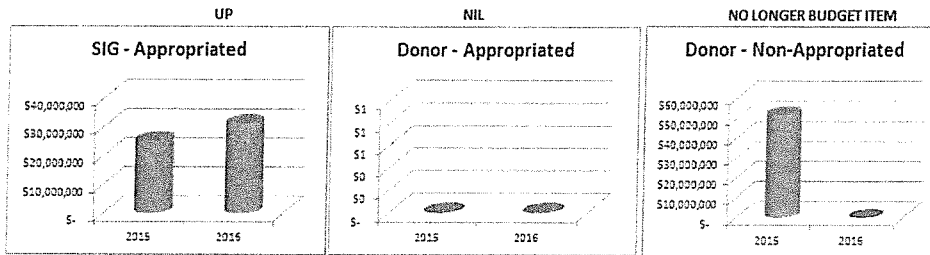
The MFMR strives to provide an effective and efficient service to all stakeholders, promote government inter-agency cooperation and act as the focal point for national capacity building, research and development within the sector.

## Changes in revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

Despite instances of underfunding the Ministry did not identify any major impact on its program for 2016.

## Ministry Outputs

Ministry outputs are described in page 137-138 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee identified the following matters of concern:

- Onshore, inshore and small fishermen projects** – the Ministry's plan to assist in building small fishing centres has been caught by the difficulties in acquiring land in the identified locations and had planned to relocate at Suava Bay and Bina Harbour as alternatives with more isolated communities to rely on the Constituency Development programs to provide the necessary funding. The Ministry is re-looked at the whole approach and is considering providing other infrastructure and support through its livelihood for communities program in liaison with constituency stakeholders and for which it has received \$31 million in its development budget. Nevertheless, even infrastructure such as seawalls intended to protect communities from sea inundation comes up against landowner claims.
- Fish farming ventures** - the Ministry advised that fish farms are assessed for viability after the Ministry is approached by individuals or communities interested in establishing such a farm. The



Ministry intends to review all the constituencies in due course and is working with the FAD program.

- **Revenue collection forecast very conservative** - the Committee queried why the Ministry was so conservative in its revenue collection given that it exceeds its annual target each year and the Ministry advised that there is uncertainty of fish movement due to the effects of El Nina/La Nina which could result in very low licence sales in that period.
- **Staff housing in the provinces** – the Ministry advised that its infrastructure budget is to provide for fish centres and staff housing with a target of establishing housing in one province each year. The Ministry advised that Central Province has been completed and that Western province was next in the schedule at Noro with Isabel Province to follow.
- **Sustainability of fish stock** – the Committee followed up an earlier enquiry about pressure on the different species of tuna and the Ministry reaffirmed that only the Big Eye species is under pressure although the high exploitation of Albacore has commenced putting it under pressure as well leading to a decrease in the issue of licenses. The Ministry is tracking the mortality rate of fish.
- **“Yellow” flag status with European Union** – the Ministry had assured the Committee at the 2015 budget hearings that the new legislation will provide for proper management and tracking of illegal fishing that is required by the European Union if Solomon Islands is to continue to export to EU. This would affect the Soltuna operation should it happen and the Ministry is doing everything necessary to address the issues in this legislation. In terms of illegal fishing, the PNA is monitoring vessels including in terms of landing catchments and reconciling against authorised allocations.

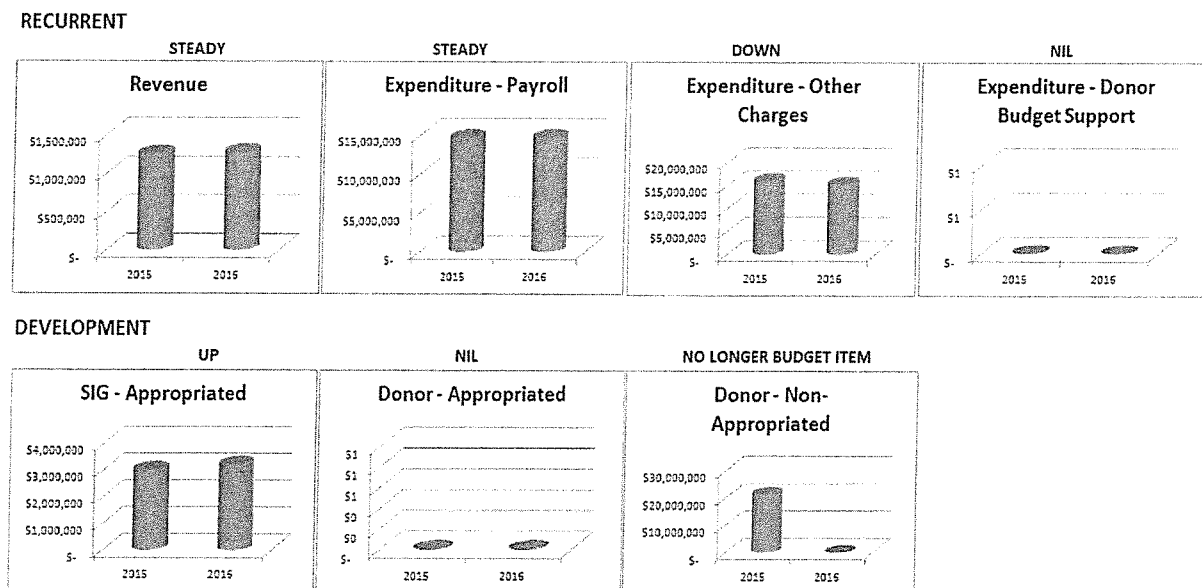
However, the Committee was concerned to learn that the “yellow” card still stands because Solomon Islands has to demonstrate that it is ensuring compliance with the rules of ‘proof of origin’ via documented transfers and receipts from when the fish is caught until when it is exported. The next EU review will be undertaken in April 2016.

## 91 MINISTRY OF PUBLIC SERVICE

### Mission Statement

The Public Service Ministry is the employer body for Solomon Islands public officers. It is the Secretariat for the Public Service Commission, the Judicial and Legal Services Commission and the Police and Prison Service Commission. The Ministry of Public Service oversees the regulation of condition of service for public officers, deals with the manpower requirements of Ministries and has an important role in coordinating, training and development activities across the whole of the public service. Also the ministry is responsible for the Public Service reforms and quality management that foster and enhance a knowledge workforce that is effective and responsive to the needs of the State and the people of the Solomon Islands.

### Changes in revenue, expenditure and donor support 2015 - 2016



### Risks identified by the Ministry due to underfunding of bids

The Ministry identified a number of underfunded bids which it stated would impact on its ability to draft legislation dealing with governance arrangements, ensure the Public Service Commission continues to sit, pay outstanding benefits to retirees with long dedicated service, and relocate staff so that the staffing quarters can be demolished.

### Ministry Outputs

Ministry outputs are described in page 141-143 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

The Committee identified the following matters of concern:

- **Meetings of the Public Service Commission** - the Committee observed that the PSC had 17 staff and yet decisions were taking some time to be made. The Ministry advised that the PEC is dealing with a very large volume of submissions and has increased its meetings to twice a week to deal with the load.
- **Slow processing of disciplinary cases** - the Committee reiterated its concerns over the length of time it takes to deal with disciplinary cases, particular those that result in separation from the service which allows the incumbents position to be filled by a replacement. The Ministry advised that it now had two new offices to assist in dealing with disparate cases – with one specialising in criminal law and the other specialising in auditing. In addition, the Ministry advised it was planning to establish a policy to delegate authority to accountable heads to discipline officers from level L7 to SS1 which it intends to take before the PSC for approval.

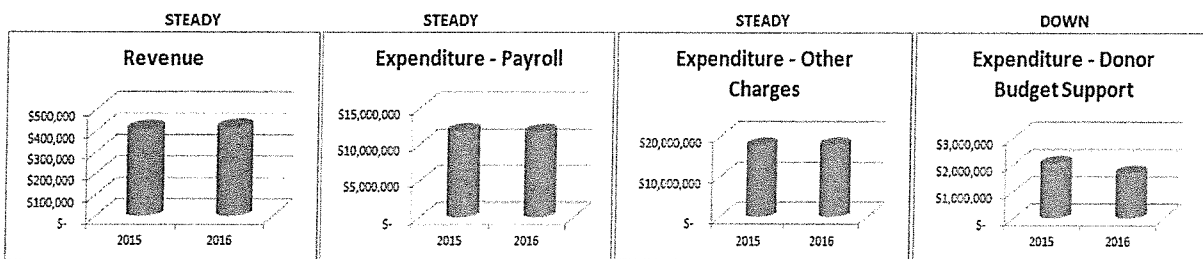
## 92 MINISTRY OF JUSTICE & LEGAL AFFAIRS

### Mission

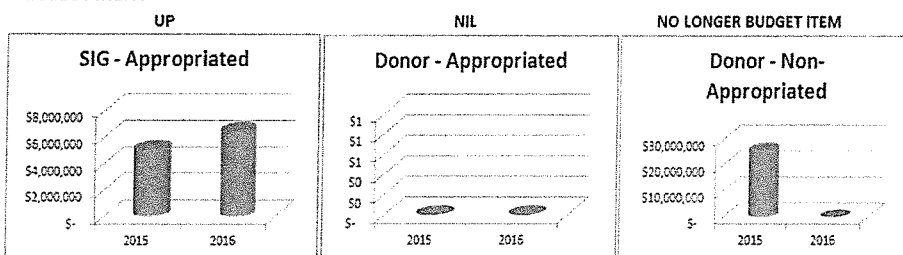
We will deliver transparent, accountable and effective justice services which protect the fundamental rights and freedoms of all people in the Solomon Islands.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

The Ministry identified a number of underfunded bids which it stated would impact on its workforce and prevent conducting stakeholder consultations on draft legislation, attending overseas training, attending court through lack of court attire, collecting provincial court data, maintaining buildings and vehicle fleet, or begin construction of Justice Precinct and institutional housing which was planned to begin in April 2016.

## Ministry Outputs

Ministry outputs are described in page 146 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

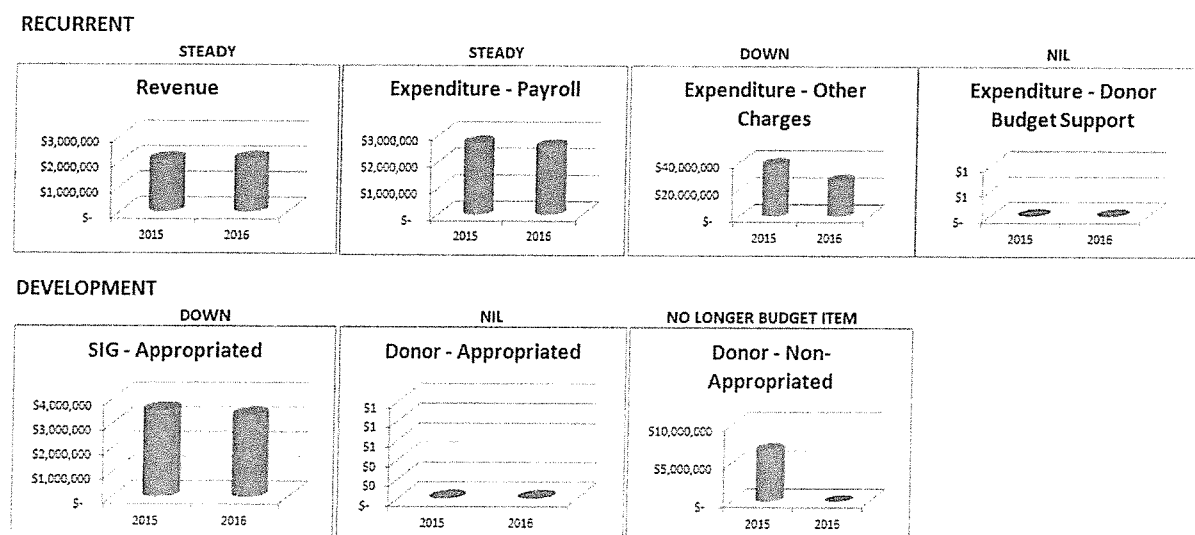
- Statistics on family violence** - the Ministry advised that the Family Protection Act was passed last year. The Ministry is training 300 locals across every province and have completed this process for all provinces except for Malaita, Isabel and Central provinces. Police will train the police officers however this has not yet started. MWYCA is a participant and stakeholder in family violence issues but it has not yet started as well providing services pursuant to the Act.

## 93 MINISTRY OF HOME AFFAIRS

### Mission Statement

Empower people to shape political future upon ethical leadership, professionalism and a governance culture that recognizes diversity in traditional cultures, values and the dignity of our people-government-stakeholder relationship.

### Changes in revenue, expenditure and donor support 2015 - 2016



## Risks identified by the Ministry due to underfunding of bids

The Ministry identified a number of underfunded bids which it stated would impact on the Honiara City Council's ability to review its Act and maintain facilities, or allow the Ministry to prepare bids for attendance at the next South Pacific Games or fund staff housing.

## Ministry Outputs

Ministry outputs are described in page 149 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee did not interview the Ministry due to lack of time. However, a written submission was received from the Ministry.

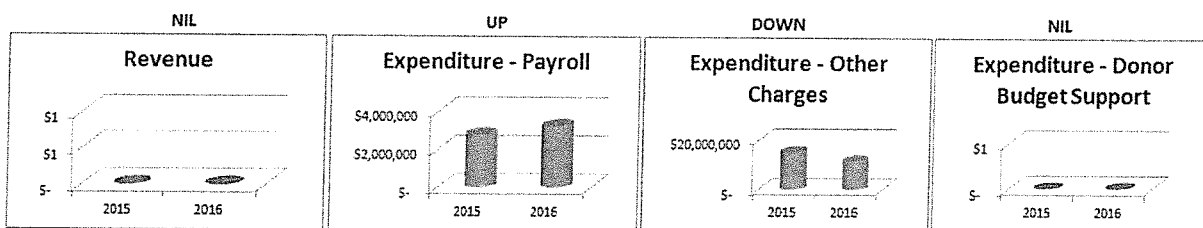
## 94 MINISTRY OF NATIONAL UNITY, RECONCILIATION & PEACE

### Mission

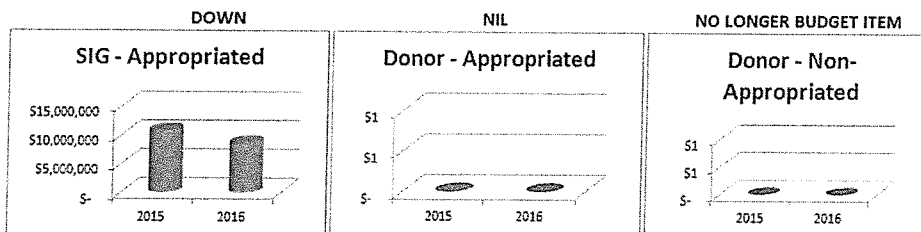
Protect and promote worthy culture, customs and values, and foster national Unity through appropriate Peace building Stakeholders' partnership

### Changes in revenue, expenditure and donor support 2015 – 2016

#### RECURRENT



#### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

The Ministry identified the underfunding of a bid of \$3 million for the Sustainable Development Fund which it stated had been approved by Government but for which a work plan was yet to be prepared. The Ministry is confident that funding will be made available during 2016. It also stated that a bid

was not submitted for payments to ex-peace monitors and deceased persons and has not been included in the Budget.

## Ministry Outputs

Ministry outputs are described in page 152-153 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee did not interview the Ministry due to lack of time. However, a written submission was received from Ministry.

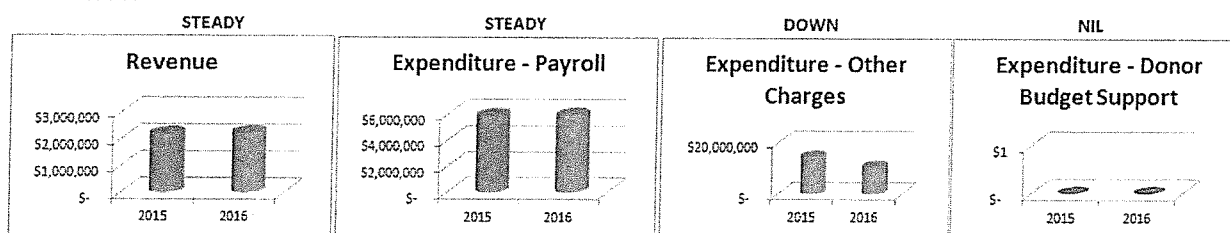
## 95 MINISTRY OF MINES, ENERGY & RURAL ELECTRIFICATION

### Mission Statement

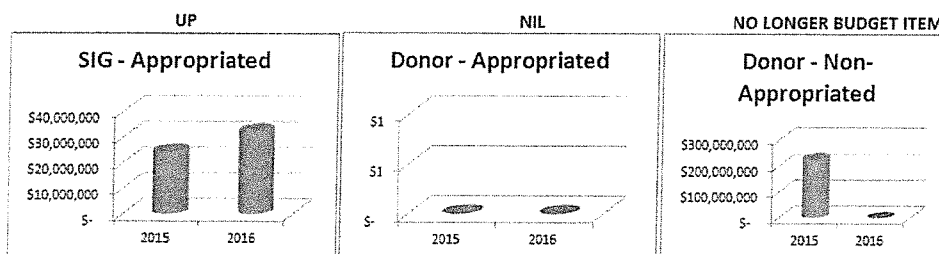
To develop and manage the natural non-living resources of Solomon Islands, for the social and economic benefit, advancement and well-being of the people of Solomon Islands, now and for the future.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT



### Risks identified by the Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

## Ministry Outputs

Ministry outputs are described in page 156 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee identified the following matters of concern:

- **Mining & Mineral Act review** - the Committee commented that the current situation in respect of mineral & mining was of great concern and asked whether there is currently a Mining Act or one need updating or does a Mining Act needs to be established. The Ministry said such a review of the current Mining and Mineral Act was a priority as set out in the Priority Policy Objective to provide comprehensive provisions for the mining and mineral industry.
  
- **Rural Electrification** - the Committee congratulated SIEA on its plans to branch out and provide small generating stations in rural areas and questioned what the position is and what consultation has been done with SIEA on this program. The Ministry confirmed that SIEA is mandated to build 37 mini grids around the country and the first three are at Seghe, Afio and Taro. Also the Ministry confirmed that it will install solar system through ADB & World Bank. The Committee commented that as the consumers in these rural areas often have no means of income, the pricing of the service is very critical. The Ministry advised that SIEA carried a three months study to confirm the cost of electricity tariff and in 2016 after SIEA's consultation with government ministries, the Minister for Mines and Energy will gazette the new tariff.
  
- **Tina River and Fiu River Hydro Projects** - the Committee requested the status update on Fiu and Tina River Hydro projects. The Ministry confirmed that Tina River is progressing well and land acquisition has been carried out with the land owners ready to be paid and the land developer identified – Korean Water - and discussion are in place between government and SIEA. The transmission is to be owned by SIEA and the Australian Government will fund the access road. In regards to the Fiu River Hydro the Ministry confirmed that SIEA has tendered for the survey but not yet acquired the land and a Korean consultant has been identified.
  
- **Gold Ridge Mining** - the Committee understands that local land owners have formed a consortium and taken over the assets of Gold Ridge. The Ministry confirmed that an arrangement was made before the operator left but that this did not come through the Ministry. In respect of the status nothing much is happening. Following previous comments regarding mining reforms Mineral Sector Institutional Strengthening Program was further cut to \$970,000

which will restrict the Ministry to just carrying out the National Mineral Policy. The Committee asked if there is any other investor interested in the Gold ridge. The Ministry said it was premature to consider this as many administrative details and obligations had yet to be confirmed.

- **Bauxite Export & Nickel Operation** - the Committee questioned the current status of bauxite exports and the exploration of nickel and the locations. The Ministry confirmed that there was court case on 26th of November 2015 in regards to Bauxite mining in Rennell resulting in all operations being put on hold. In regards to Nickel Mining on Isabel by St George there has been a court case and nothing has yet been concluded.
- **Relocation of Fuel Storage** - the Committee stated that in the 2016 budget there is an allocation in the development budget called "Honiara fuel terminal relocation", and queried what are the Ministry's plans and timeframe and corporation received through the companies' concerned. The ministry confirmed that there was \$1.9 million allocated for 2016 to conduct feasibility studies in order to provide roadmap. This will be done in the first and second quarter in 2016.

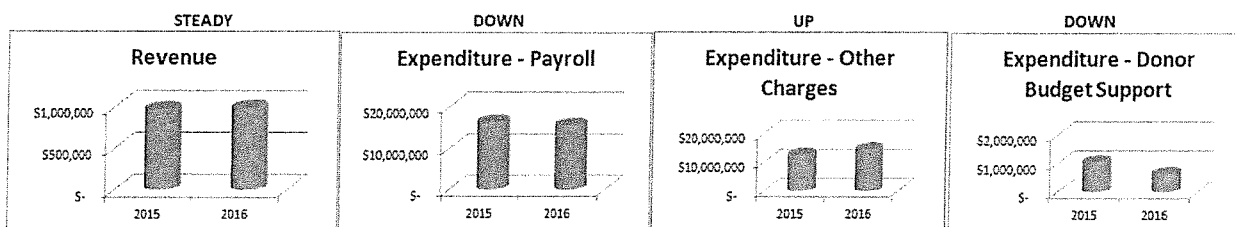
## 96 NATIONAL JUDICIARY

### Mission

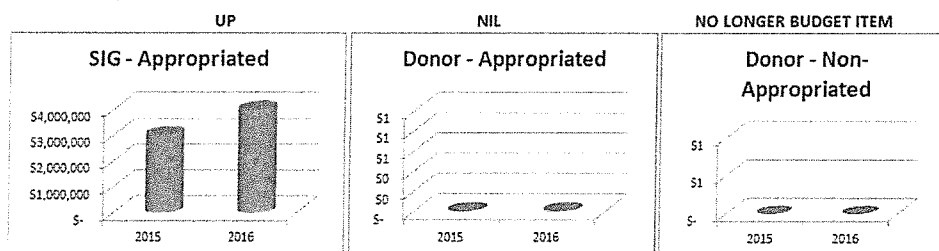
The Mission Statement of the National Judiciary of Solomon Islands is to deliver justice that is visible, tangible and accessible to all.

### Changes in revenue, expenditure and donor support 2015 - 2016

#### RECURRENT



#### DEVELOPMENT





### Risks identified by the Ministry due to underfunding of bids

The Judiciary identified a number of underfunded bids that has a direct impact on its ability to carry out its mandate. The Recurrent Budget only provided a quarter of what the Judiciary needs to carry out court cases in Honiara as well the provincial circuits; in addition to hearing the Town Ground Case. The Development Budget is only funded to 38% of funds required to build a complex in Gizo and refurbish judges' accommodations in Lengakiki and Kira Kira.

### Ministry Outputs

Ministry outputs are described in page 159-160 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### Other Issues of concern

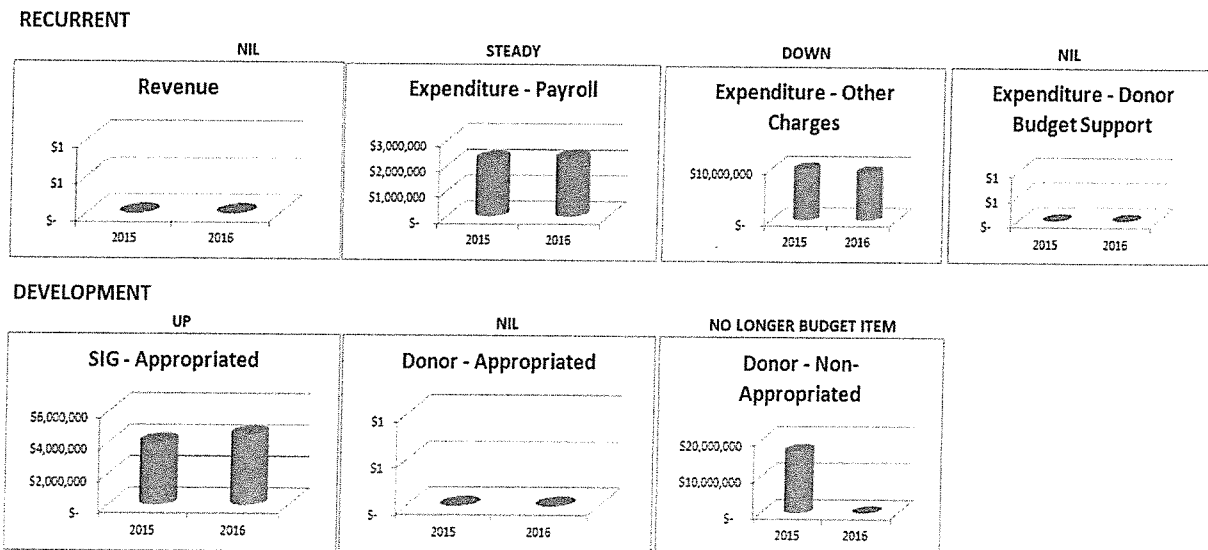
- **Sorcerers Bill** – the Judiciary advised that the Sorcerers Bill was being discussed in Gizo as part of consultations with all stakeholders. The Committee queried whether retaliatory actions were covered in the Penal and was advised that this was covered in the Penal Code.

## 97 MINISTRY OF WOMEN, YOUTH, CHILDREN & FAMILY AFFAIRS

### Mission Statement

In partnership with the people of Solomon Islands to uphold and promote the rights of women, young people and children and families to advance the wellbeing of the nation.

### Changes in revenue, expenditure and donor support 2015 - 2016



## Risks identified by the Ministry due to underfunding of bids

The Ministry identified a number of underfunded bids which will impact on its ability to undertake programs aimed at rural youth, gender and SAFENET; as well as the construction of an office building .

## Ministry Outputs

Ministry outputs are described in page 163- 164 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

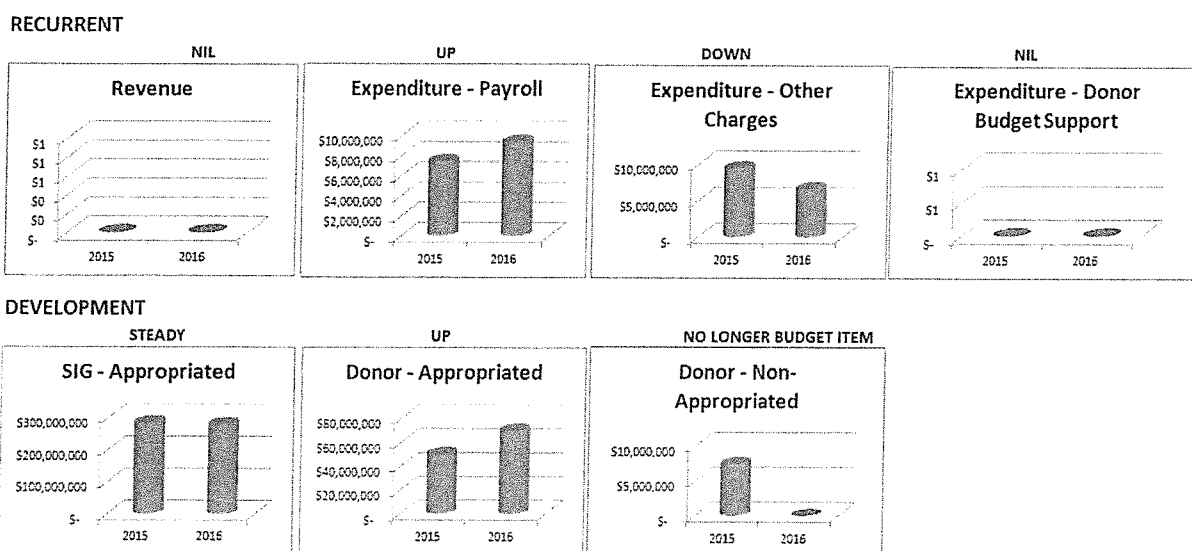
The Committee did not interview the Ministry due to lack of time. However, a written submission was received from the Ministry.

## 98 MINISTRY OF RURAL DEVELOPMENT

### Mission Statement

The mission of the Ministry is to create and manage an effective information centre of all constituencies for planning and development purposes. More so, the Ministry's responsibility is to distribute and monitor resources allocated to the Ministry and other development stakeholders within Government, Donor agencies and non-government organizations to ensure fair and equitable development at the local level especially in the rural areas. Ultimately to ensure that Rural Solomon Islanders (80% of Solomon Island's population) actively participate in the social and economic development of Solomon Islands to improve standard of living and quality of life.

### Changes in revenue, expenditure and donor support 2015 - 2016



### **Risks identified by the Ministry due to underfunding of bids**

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

- **Lack of transparency and accountability of CDF moneys** - the Committee was concerned with the unwillingness of the PS of MRD to make herself available to the Committee to discuss one of the larger development budget funding allocations. Although the PS was out of country at commencement of the hearings, she did return during the hearings but made no attempt to come before the Committee.

The CDF budget is problematic because of its scale and the method of delivery into the constituencies; and it is an important aspect of the budget that should be scrutinised by the Committee.

#### **Recommendation**

The Committee recommends that the PS of MRD be requested to make herself available to the Committee in future hearings as one of her top priorities during the period the budget is being considered.

### **Ministry Outputs**

Ministry outputs are described in page 167 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

### **Other Issues of concern**

The Ministry did not appear before the Committee as the Permanent Secretary only arrived back from overseas during the hearings. No written submission was also received from the Ministry.

## **99 MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT & METEOROLOGY**

### **Policy Goals:**

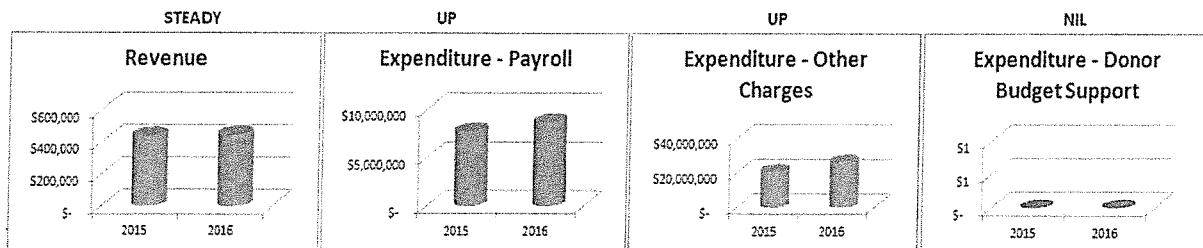
- To act as a focal point for all international, regional and sub-regional conventions, treaties and protocols relating to environment, conservation, climate change, disaster risk and management and meteorology integrating these issues into provincial, sectoral and national planning processes

in a holistic way so as halt deterioration of ecosystems, restore damage to ecosystems, adapt to climate change, prepare for natural disasters and ensure the survival of Solomon Islanders and protection of their properties.

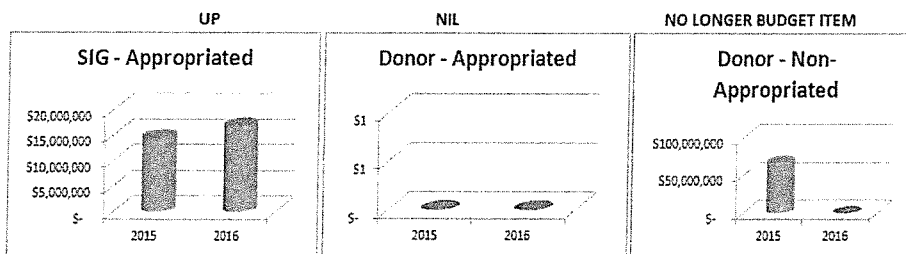
- ii. To enhance knowledge and awareness on principles of environment, conservation, climate change, disaster management and meteorology amongst Solomon Islanders, guided by a national policy platform and supported by the Government to contribute to increased capacity to adapt to the adverse effects of environmental problems, climate change and natural disaster.

## Changes in revenue, expenditure and donor support 2015 - 2016

### RECURRENT



### DEVELOPMENT



## Risks identified by the Ministry due to underfunding of bids

A completed template identifying any risks to Ministry functions was not received by the Committee at time of this report preparation.

## Ministry Outputs

Ministry outputs are described in page 170-171 of *Budget Strategy and Outlook Budget Paper: Volume 1*.

## Other Issues of concern

The Committee did not interview the Ministry due to lack of time. However, a written submission was received from the Ministry.

## 3.0 APPENDIX

### Minutes of Proceedings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

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

#### Minutes of Proceedings

#### Committee Hearing into the 2016 Appropriation Bill 2015

Day 1 /2015 Tuesday 1<sup>st</sup> December 2015, CR II, Parliament House 10:39 am

#### 1. Members Present

Hon. Rick Houenipwela, Chairman  
Hon. Jeremiah Manele, MP  
Hon. Nestor Giro, MP  
Hon. Derrick Manu'ari, MP  
Hon. Connelly Sandakabatu, MP

Secretary: Ms Wendy Ngodoro, Officer of the Auditor General

#### Secretariat

Mr Marson Lilopeza, Director Committee Secretariat  
Mrs Jasmine Waleafea, Committee Secretariat  
Miss Salome Pilumate, Admin Committee Secretariat  
Mr Whitmon Tabiru, Hansard Reporter  
Mr David Kukutu, Hansard Reporter

#### 2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Rick Houenipwela made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

#### 3. Inquiry into the 2016 Appropriation Bill 2015

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

#### Hearing 1 Witnesses

- i. Mr. Harry Kuma ( Permanent Secretary)
- ii. Mr. Blaise Kokou (Policy Analyst, ERU)
- iii. Mr. Kevis Kimasaru (Policy Analyst, ERU)
- iv. Ms. Ruth Moore (Senior Adviser, ERU)
- v. Mr. Selwyn Takana ( Director, ERU)
- vi. Ms Mitch Pirie (Adviser, ERU)
- vii. Mr. Aylton Jamieson (Commissioner, Inland Revenue)
- viii. Mr. Bebeno Mulesae ( Financial Controller)
- ix. Mr. Norman Hiropuhi (Director Budget)

- x. Mr. Brendan Nerdal ( Senior Budget Advisor)
- xi. Mr. Mackinie Dentana, ( US, Economics)
- xii. Mr. John Dafanisi (Deputy Comptroller)
- xiii. Mr George Tapo (Deputy Director, IRD)
- xiv. Ms Merrylyn Kodoleke (Deputy Accountant General)

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

*Hearing suspends at 12:27 pm for Lunch*

The Hearing proper resumed at 2:13 pm and the following witnesses from the Ministry of Development Planning and Aid Coordination were admitted:

**Hearing 2 Witnesses**

- i. Mr. Shadrach Fanega (Permanent Secretary)
- ii. Mr. Manasseh Taloafiri (HRM)
- iii. Mr. Roy Mae (US Technical)

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

*Hearing suspends at 3:29 pm*

The Hearing proper continued at 3:43 pm and the following witnesses from the Ministry of Education and Human Resources Development were admitted:

**Hearing 3 Witnesses**

- i. Dr. Franco Rodie (Permanent Secretary)
- ii. Mr. Mathias Kutai (Director TSO)
- iii. Mr. Dagnal Dereveke (US Corporate)
- iv. Mr. Tahisihaka Andrew (Financial Controller)

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

*Hearing suspends at 4:56 pm*

The Hearing proper continued at 5:11 pm and the following witnesses from the World Bank Group were admitted:

**Hearing 4 Witnesses**

- i. Ms. Anne Tully (World Bank Country Manager)
- ii. Mr. Carlos Orton Romero (Economist)

**4. Adjournment:**

The committee adjourned hearing at 5:33 pm

## 5. Documents Tabled

- a. MOFT Submission – Generic Template
- b. MOFT Submission – High Priority Areas
- c. MDPAC Submission – Summary of SIG Programmes Financial Status (18/11/15)
- d. World Bank Group – East Asia and Pacific Economic Update (Small Pacific Islands Countries)
- e. World Bank Group – East Asia and Pacific Economic Update (Solomon Islands)

Day 2 /2015 Wednesday 2<sup>nd</sup> December 2015, CR II, Parliament House 9:54 am

### 1. Members Present

Hon. Rick Houenipwela, Chairman  
 Hon. Matthew Wale, MP  
 Hon. Jeremiah Manele, MP  
 Hon. Connelly Sandakabatu, MP

**Secretary:** Ms Gerbere Maqiti, Officer of the Auditor General

### Secretariat

Mr Wilson Orisi, Committee Secretariat  
 Mrs Jasmine Waleafea, Committee Secretariat  
 Miss Vanessa Rodie, Committee Secretariat  
 Mr Marlon Keni, Hansard Reporter  
 Mr Fredrick Iro, Hansard Reporter

### 2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Rick Houenipwela made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

### 3. Inquiry into the 2016 Appropriation Bill 2015

The Hearing proper commenced and the following witnesses from the Ministry of Infrastructure Development were admitted:

#### Hearing 5 Witnesses

- i. Mr. Henry Murray ( Permanent Secretary)
- ii. Mr. Patteson Fakavai ( Director ABMSA)
- iii. Mr. Brain Aonima (Manager Marine)
- iv. Mr. Leslie Nate (Director MED)
- v. Mr. Harold Leka ( US Admin)
- vi. Mr. Jerold Musi (Financial Controller Acting)
- vii. Mr. Jimmy Nuake (US Tech)

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

*Hearing suspends at 10:53 am*

The Hearing proper resumed at 11:07 am and the following witnesses from the Ministry of Forestry and Research were admitted:

Hearing 6 Witnesses

- i. Mr. Gordon Konairamo (Permanent Secretary Supervising)
- ii. Mr. Felix Koramae (US Admin)
- iii. Mrs. Beverly Maezama (Financial Controller)
- iv. Mr. Kedson Ago (Director FRMTSD)
- v. Mr. Colman Vuke (Senior Accountant)

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented.

The examination concluded.

*Hearing suspends at 12:15 pm*

The Hearing proper continued at 12:24 pm and the following witnesses from the Office of the Prime Minister and Cabinet were admitted:

Hearing 8 Witnesses

- i. Mr. Chris Hanupauro (Deputy STC)
- ii. Ms. Decima Regatule (Secretary LCC)
- iii. Mr. Andrew D Muaki (Special Secretary to Prime Minister)
- iv. Mr. Derek Futaiasi (Deputy Secretary to Prime Minister)
- v. Mr. Pellion Buale (Financial Controller)
- vi. Mr. Joe Porowai (Ombudsman)
- vii. Mr. George Kuper (Chief of Staff)
- viii. Mr. Fred Rohorua (PS Social Sector)
- ix. Mr. Chris Vehe (PS Resource Sector)
- x. Mr. Philip Houla (Director CRU)
- xi. Mr. Jackson Mewa (Chief Admin Office)
- xii. Mr. Gabriel Titili (PS Public Sector)
- xiii. Mr. Solomon Kalu (Director Legal Service)
- xiv. Mr. Mose Saitala (CTA)

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented.

The examination concluded.

*Hearing suspends at 1:33 pm for lunch*

The Hearing proper continued at 2:27 pm and the following witnesses from the Ministry of Police, National Security and Correctional Service were admitted:

Hearing 9 Witnesses

- i. Mr. Steven J Oto ( Financial Controller)
- ii. Mr. Frank Prendergast (Commission RSIPF)
- iii. Mr. Mactus Forau (Undersecretary)
- iv. Mr. William Alaia (Commissioner Acting CSSI)
- v. Mr. Donald Riropo (Deputy Finance CSSI)
- vi. Ms. Debbie Bav (Finance Adviser)
- vii. Mr. Richard Menapi (HR RSIPF)
- viii. Ms. Alice Saeni (Finance RSIPF)
- ix. Mr. Simon Bartholomew (HR Adviser)



- x. Mr. Russell Tagini (Deputy HR)
- xi. Mr. Tom Berenguer (Advisor Finance RSIPF)
- xii. Mr. Michael Healy (Advisor Corporate RSIPF)

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

*Hearing suspends at 3:33 pm*

The Hearing proper continued at 3:42 pm and the following witnesses from the Ministry of Environment, Climate Change and Disaster Management were admitted:

**Hearing 10 Witnesses**

- i. Mr. Loti Yates (PS Supervising)
- ii. Mr. Allan Rangi (HRM)
- iii. Mr. Bobby Ramo (Financial Controller)
- iv. Mr. Barnabas Bago (NPC)

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

*Hearing suspends at 4:19 pm*

The Hearing proper continued at 4:30 pm and the following witnesses from the Ministry of Mines, Energy and Rural Electrification were admitted:

**Hearing 11 Witnesses**

- i. Mr. Jeffery Sade Deve (Permanent Secretary)
- ii. Mr. Charlie Bepapa (Director Water)
- iii. Mr. Toswell Kaua (Energy Project Officer)
- iv. Mr. Jeremiah Kisi (Senior Geochemist)
- v. Mr. Ishmael Khegrasopa (Principal Economist Geologist)
- vi. Mrs. Lilian Danitofea (Senior Tenant Officer)
- vii. Mr. John Korinihona (Director Energy)
- viii. Ms. Jessica Kualu (Financial Controller)

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

*Hearing suspends at 5:31 pm*

The Hearing proper continued at 5:37 pm and the following witnesses from the Asian Development Bank were admitted:

**Hearing 12 Witnesses**

- i. Ms Taiata Ataata (ADB Country Manager)

The witness made her presentations before the committee.

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

*Hearing suspends at 5:47 pm*

The Hearing proper continued at 5:52 pm and the following witnesses from the Ministry of Land, Housing and Survey were admitted:

**Hearing 13 Witnesses**

- i. Mr. Stanley Walenesia (Permanent Secretary)
- ii. Mr. Gregory Rofeta (Undersecretary)
- iii. Ms. Selesa Alepio (Finance Controller)

**4. Adjournment:**

The committee adjourned hearing at 6:24 pm

**5. Documents Tabled**

- a. Office of the Prime Minister – Submission to the PAC
- b. Office of the Prime Minister – Budget Head 281
- c. MFR Submission – Statement to PAC
- d. Asian Development Bank – Pacific Economic Monitor (Midyear Review)

**Day 3 /2015Thursday 3<sup>rd</sup> December 2015, CR II, Parliament House 2:24 pm**

**1. Members Present**

Hon. Rick Houenipwela, Chairman  
Hon. Jeremiah Manele, MP  
Hon. Derrick Manu'ari, MP  
Hon. Connelly Sandakabatu, MP

**Secretary:** Mr. Robert Cohen, Auditor General

**Secretariat**

Mr Marson Lilopeza, Director Committee Secretariat  
Mrs Jasmine Waleafea, Committee Secretariat  
Miss Salome Pilumate, Admin Committee Secretariat  
Mr Ignatius Talifilu, Hansard Reporter

**2. Welcome and Opening Remarks**

The Chairman of the Public Accounts Committee Hon. Rick Houenipwela made his opening remarks.  
The Chair informed the witnesses of the Parliamentary privileges.

**3. Inquiry into the 2016 Appropriation Bill 2015**

The Hearing proper commenced and the following witnesses from the Ministry of Culture and Tourism were admitted:

**Hearing 14 Witnesses**

- i. Mr. John Wasi (Permanent Secretary)
- ii. Mr. Tony Heorake (Director National Museum)
- iii. Mr. Andrew Houlia (Deputy Director Culture Division)
- iv. Mr. Joseph Mamau (Chief Accountant)

- v. Mr. Barney Sworo (Director Tourism)
- vi. Mr. Josefa Tuamoto (CEO, SIVB)
- vii. Mr. Richard Rehomae (HRM)
- viii. Mrs. Margaret Inifiri (Deputy Government Archivist)

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

*Hearing suspends at 3:28 pm*

The Hearing proper resumed at 3:37 pm and the following witnesses from the Ministry of Communication and Civil Aviation were admitted:

**Hearing 15 Witnesses**

- i. Mr. Moses Virivolomo (Permanent Secretary)
- ii. Mr. Rex Alafa (APM Acting)
- iii. Ms. Joyce Akwafa'asia (Senior Accountant)

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

*Hearing suspends at 4:51 pm*

The Hearing proper continued at 5:04 pm and the following witnesses from the Ministry of Agriculture and Livestock were admitted:

**Hearing 16 Witnesses**

- i. Mr. Jimi Saelea (Permanent Secretary)
- ii. Mr. Michael Ho'ota (Undersecretary Technical)
- iii. Mr. Oswald Ramo (Undersecretary Admin)
- iv. Mr. Barney Keqa (Director)
- v. Mr. Paul Ne'e (Financial Controller)
- vi. Mr. Francis Tsatsia (Director)
- vii. Mr. Martin Taiki (Deputy Director)
- viii. Mr. Noel Roposi (Director Planning)

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

*Hearing suspends at 5:51 pm*

The Hearing proper continued at 5:52 pm and the following witnesses from the Ministry of Fisheries and Marine Resources were admitted:

**Hearing 17 Witnesses**

- i. Dr. Christian Ramofafia (Permanent Secretary)
- ii. Mr. Alick Misibini (Financial Controller)
- iii. Mr. Bennie Buga (DDI Supervising)
- iv. Mr. Edward Honiwala (Director Acting)

- v. Mr. Francis Tofuakalo (DDO Supervising)
- vi. Mr. Tom Rarakani (HRM)

#### 4. Adjournment:

The committee adjourned hearing at 6:31 pm

#### 5. Documents Tabled

- a. MHA – Submission Letter
- b. MHA – Generic Template
- c. MALD – Submission to PAC

Day 4 /2015 Friday 4<sup>th</sup> December 2015, CR II, Parliament House 9:15 am

#### 1. Members Present

Hon. Rick Houenipwela, Chairman  
 Hon. Jeremiah Manele, MP  
 Hon. Nestor Giro, MP  
 Hon. Connelly Sandakabatu, MP

Secretary: Ms Joyce Mesepitu, Officer of the Auditor General

#### Secretariat

Mr Marson Lilopeza, Director Committee Secretariat  
 Mrs Jasmine Waleafea, Committee Secretariat  
 Miss Salome Pilumate, Admin Committee Secretariat  
 Mr Whitmon Tabiru, Hansard Reporter

#### 2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Rick Houenipwela made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

#### 3. Inquiry into the 2016 Appropriation Bill 2015

The Hearing proper commenced and the following witnesses from the Ministry of Health and Medical Services were admitted:

##### Hearing 18 Witnesses

- i. Dr. Tenneth Dalipanda (Permanent Secretary)
- ii. Mr. Arnold Moveni ( Undersecretary)

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

*Hearing suspends at 10:14 am*

The Hearing proper resumed at 10:20 am and the following witnesses from the Ministry of Foreign Affairs and External Trade were admitted:

##### Hearing 19 Witnesses

- i. Mr. Joseph Ma'ahanua (Permanent Secretary Acting)

- ii. Mr. George Tuti (Chief Trade Officer)
- iii. Mr. Henry Baeoro (Financial Controller)
- iv. Mr. Travis Ziku (AS PPR)

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

*Hearing suspends at 11:23 am*

The Hearing proper continued at 11:29 am and the following witnesses from the Ministry of Provincial Government and Institutional Strengthening were admitted:

**Hearing 20 Witnesses**

- i. Mr. Stanley D Pirione (Permanent Secretary)
- ii. Ms. Lindina Kopana ( Chief Accountant)
- iii. Ms Nancy Legua (Undersecretary)
- iv. Mr. Ezekiel Tabole (Capacity Development Officer)
- v. Ms Veronica Hutaiwao (Human Resources Manager)
- vi. Ms Melanie Philips (Legal Advisor)

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

*Hearing suspends at 12:24 pm*

The Hearing proper continued at 12:32 pm and the following witnesses from the Ministry of Commerce, Industries, Labour and Immigration were admitted:

**Hearing 21 Witnesses**

- i. Mr. George Kosui (Permanent Secretary)
- ii. Mr. James Apato (US CT)
- iii. Mr. Cornelius Donga (Director Marketing)
- iv. Mr. Mason Fugui (Deputy Director Immigration)
- v. Mr. Hansel Mamupio (HRM)
- vi. Mr. Riley Mesepitu (Director IDD)
- vii. Mr. Morris Rapaal (Director Business)
- viii. Mr. Hunters Masuguria (US Admin)
- ix. Ms Gwen Koke (Finance Controller)
- x. Mr. Geoffrey D Hou'ua (Director CA & PC)
- xi. Ms Lynette Dawheya (Deputy Director FID)
- xii. Ms Natalie T Kesaka (Chairman – TDP)
- xiii. Ms Kuria Pitamama (Registrar of Companies)

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

*Hearing suspends at 1:24 pm*

The Hearing proper continued at 1:33 pm and the following witnesses from the Ministry of Public Service were admitted:

**Hearing 22 Witnesses**

- i. Mr. Nego Sisiolo ( Permanent Secretary)
- ii. Mr. Andrew Idutee (Finance Controller)
- iii. Mr. Coldrine Kohe (AS/ HRM)

The witnesses made their presentations before the committee.

The committee questioned the witnesses based on the evidences presented.

The examination concluded.

*Hearing suspends at 2:14 pm for Lunch*

The Hearing proper continued at 3:01 pm and the following witnesses from the Ministry of Justice and Legal Affairs and the National Judiciary were admitted:

**Hearing 23 Witnesses**

- i. Mr. Freddy Mee'sa (Permanent Secretary)
- ii. Mr. Paul Kapakeni (Financial Controller)
- iii. Ms. Lynette H Tora (CEO)
- iv. Mr. Willie Walekwate (HRM)
- v. Mr. Charles Afia (HRM National Judiciary)
- vi. Mr. Peter Nelson (Financial Controller National Judiciary)
- vii. Mr. Karl Kuper (Undersecretary)

**4. Adjournment:**

The committee adjourned hearing at 3:43 pm

**5. Documents Tabled**

- a. Office of the Governor General – Submission Letter
- b. Office of the Governor General – Generic Template

## List of Submissions

No	Author
1.	MPS – PAC Generic Template for 2016 AB 2015
2.	MCILI – PAC Generic Template for 2016 AB 2015
3.	MDPAC – PAC Generic Template for 2016 AB 2015
4.	MNURP – PAC Generic Template for 2016 AB 2015
5.	MEHRD – PAC Generic Template for 2016 AB 2015
6.	MPGIS – PAC Generic Template for 2016 AB 2015
7.	MPNSCS – PAC Generic Template for 2016 AB 2015
8.	MWYCFA – PAC Generic Template for 2016 AB 2015
9.	MOFT – PAC Generic Template for 2016 AB 2015
10.	MOFT – DCC High Priority Areas
11.	MDPAC – Summary of SIG Programmes Financial Status 18 <sup>th</sup> November 2015
12.	World Bank Group – East Asia and Pacific Economic Update (Small Pacific Islands Countries)
13.	World Bank Group – East Asia and Pacific Economic Update (Solomon Islands)
14.	MRD - Budget Form 1 – Bids Summary (Deve+OCharges+Payroll) Rev.
15.	MRD – Budget Form 2 – Constituency Development Programs
16.	MRD – Budget Form 2 – Development Centre Program
17.	MRD – Budget Form 2 - Local Travel
18.	MRD – Budget Form 2 – Office Rental
19.	MRD – Budget Form 2 – RDD Conferences, Seminars & Workshops
20.	MRD – CDO On going 2016-2020Form3Dev – MTDP Appraisal Guidelines (Costing)
21.	MRD – Head 298 Baseline
22.	MHMS – PAC Generic Templates for 2016 AB 2015
23.	MECDM – PAC Generic Template for 2016 AB 2015
24.	MCA – PAC Generic Template for 2016 AB 2015
25.	MCA – Minister Briefing
26.	MCA – Minister’s Budget Briefing
27.	MLHS – PAC Generic Template for 2016 AB 2015
28.	MJLA – PAC Generic Template for 2016 AB 2015
29.	MJLA – Budget Bids for 2016
30.	MJLA – Budget Bid Documents (Consultations)
31.	MFMR – PAC Generic Template for 2016 AB 2015
32.	MHMS - Budget Bids 2016 Head 376
33.	OPMC – Submission Document to the Public Accounts Committee
34.	OPMC – Budget Bids 2016 Head 281
35.	MFR – Submission Document to the Public Accounts Committee
36.	ABD – Pacific Economic Monitor (Mid- Year Review)

37. MJLA – Budget Bid Explanatory Notes
38. NJ – Minister’s Briefing Notes
39. NJ – PAC Generic Template for 2016 AB 2015
40. MHA – Submission Document to the Public Accounts Committee
41. MHA – PAC Generic Template for 2016 AB 2015
42. MALD – Submission Documents to the Public Accounts Committee
43. MNURP – Submission Notes to the Public Accounts Committee
44. MNURP – Submission Documents to the Public Accounts Committee
45. NPO – PAC Generic Template for 2016 AB 2015
46. OAG – Submission Document to the Public Accounts Committee
47. OGG – Submission to the Public Accounts Committee
48. OGG – PAC Generic Template for 2016 AB 2015
49. MID – PAC Generic Template for 2016 AB 2015
50. MFAET – PAC Generic Template for 2016 AB 2015





