



National Parliament of Solomon Islands

Public Accounts Committee

# Committee Report

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Report on the 2018 Supplementary Appropriation  
Bill 2019 (No.1 of 2019)



NP-Paper No. 15/2019

Presented on 5 September 2019

National Parliament Office



## COMMITTEE MEMBERSHIP

The current members of the **Public Accounts Committee** (11<sup>th</sup> Parliament) are:

**Hon. Douglas Ete, MP (Chairman)**

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

**Hon. Robertson Galokale, MP**

**Hon. Nestor Giro, MP**

**Hon. Rixon A. Ramofafia, MP**

**Hon. Rollen Seleso, MP**

**Secretary:** Mr. Peter Lokay, Auditor General

### **Secretariat**

Mr. Gregory Fineanganofa, Director Committees

Mr. Heston Rence, Committee Secretary

Miss Salome Pilumate, Committee Admin

Mr. Lawrence Scott, Media Officer

Mr. Duane Baiabe, Chief Media Officer

Mr. Roland Sikua, Library Research Officer

Mr. Patrick Wilson, Library Research Officer

Mr. Ray Sibisopere, Library Research Officer

Miss Hazel Fafale, Hansard Reporter

Miss Theresa Nori, Hansard Reporter

Miss Sherilyn Ragoso, Hansard Reporter

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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,

- (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

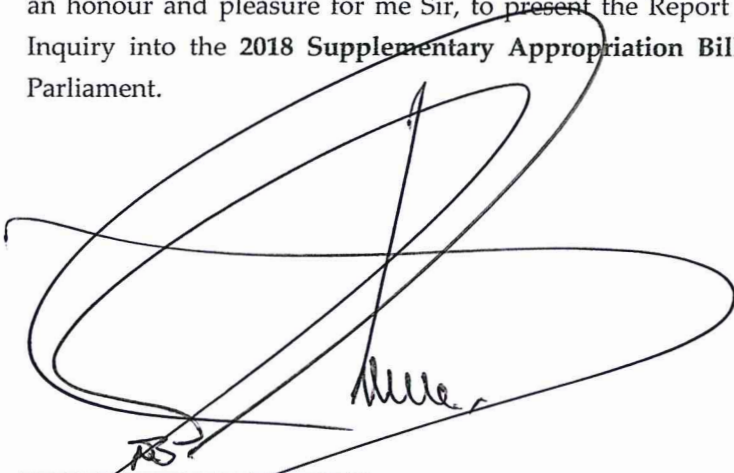
### REPORT OF THE PUBLIC ACCOUNTS COMMITTEE



Hon. Douglas Ete, MP  
Chairman 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 **2018 Supplementary Appropriation Bill 2019 (No.1 of 2019)** for laying before Parliament.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke.

**Honourable Douglas Ete, MP**  
Chairman,  
Public Accounts Committee.

September 05, 2019

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## EXECUTIVE SUMMARY

The Public Accounts Committee (PAC) had completed its scrutiny of the 2018 Supplementary Appropriation Bill 2019 (No. 1 of 2019) on the 28<sup>th</sup> August, and 27 witnesses appeared before the Committee.

The 2018 SAB 2019 is required to appropriate \$7,020,322 for the service of the year ending 31 December 2018 authorised by the Minister of Finance and Treasury under section 58 and section 60 of the *Public Financial Management Act 2013*, through contingency warrants and advance warrants.

The Committee views that most of the requests made in the 2018 SAB 2019 are foreseeable and could have been factored in the 2019 Appropriation Bill 2018. It further reiterates previous calls by PAC on the need for the government through the Ministry of Finance to have robust planning prior to each year's budget to prevent further supplementary on known programs.

The Committee is also concerned that the practice of bringing forward arrears from previous years will cause further strain on the current budget.

After scrutinising the draft 2018 SAB 2019, the Committee makes the following recommendations:

- 1. That the government continues to pursue reforms to enhance the enabling environment so that investors are able to invest in the productive sector to stimulate economic growth.**
- 2. That the Statistics Division develop tools to generate data on standard of living of individuals within the country to enable policy makers to address inequalities in the economy.**
- 3. That the CBSI explore policy tools in its engagement with financial institutions with a view to reduce interest rates that is comparable and similar to the region.**

## 1.0 BACKGROUND TO REPORT

The Public Accounts Committee conducted hearings into the 2018 Supplementary Appropriation Bill (SAB) 2019 on the 28<sup>th</sup> August 2019, to determine and establish the validity of line ministries usage of Contingencies Warrants (CW) and Advance Warrants (AW).

### 1.1 Scope of the Inquiry

The scope of the Inquiry was to inquire into the contents of the 2018 SAB 2019.

The above scopes are captured in the Terms of Reference of this Inquiry under Standing Orders 69.

### 1.2 Conduct of the Inquiry

The inquiry process involves hearings for line ministries appearing in the 2018 SAB 2019 in which written submissions as well as necessary documents requested by the Committee were received.

The Committee wishes to put on record its appreciation to the Permanent Secretaries (PSs), Under-Secretaries (USs) and other Senior Officials of various Ministries who came before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role, by ensuring that public funds are allocated and expended appropriately and for the public good.

The Committee also wishes to acknowledge the representatives of the Central Bank of Solomon Islands who appeared before the Committee.

## 2.0 BACKGROUND INFORMATION

### 2.1 Supplementary Appropriation Bill

The 2018 Supplementary Appropriation Bill 2019 (No.1 of 2019) is required to appropriate \$7,020,322 for the service of the year ending 31 December 2018 - through Contingencies Warrant Section 58 and Advance Warrants Section 60 of the *Public Financial Management Act 2013*.

The amounts being appropriated were as follows:

#### Contingencies Warrants

RECURRENT EXPENDITURE		AMOUNT	ITEMS
279	National Parliament	905,000	To cater for telephone bills and allowances for Members of Parliament during the Parliament sittings in late 2018.
283	Police, National Security and Correctional Services	4,510,220	To cater for security operations during the omission and objection period preparation for the 2019 national general election.
299	Environment, Climate Change, Disaster Management and Meteorology	605,102	Procurement and delivery of relief supplies to communities affected by Tropical Cyclone Liua in Makira Ulawa and Isabel Provinces.
<b>TOTAL RECURRENT EXPENDITURE</b>		<b>6,020,322</b>	
<b>TOTAL CW</b>		<b>6,020,322</b>	

#### Advance Warrants

DONOR SUPPORT		AMOUNT	ITEMS
372	Education and Human Resources Development	1,000,000	DFAT funding for secondary school infrastructure projects.
<b>TOTAL ADVANCE WARRANTS</b>		<b>1,000,000</b>	

## 3.0 ISSUES OF CONCERN TO THE COMMITTEE

### CENTRAL BANK OF SOLOMON ISLANDS

**State of the economy** – The Committee is very concerned with the state of the economy in view of the fact that the country has experienced a general decline in the economic growth since the last two years. It continued to decline in the first and second quarters of 2019. It is concerning to note the high liquidity in the financial system but the banks are not lending to the small and medium enterprises and medium industries to stimulate economic growth.

The committee is concerned with the deficit in international trade of the country, the fall in commodities prices for coconut, cocoa, logs and other commodities exported from the country and the on-going trade dispute between USA and China. There is also the issue of the high rates of taxes and its narrow base. The country has been relying on log exports duties for the past years, amounting to about \$630 million in 2018, and is expected to decline by 10% in 2019.

The committee is very keen to know whether the bank has held discussions and advised Minister of Finance and officials on this matters so that a policy is put in place to resolve or address these matters.

The bank did have regular consultations with the ministry but it is only responsible for monetary policy while the government is responsible for fiscal policy. The government was encourage to continue with its tax reforms, new revenue measures to collect more revenue, strategies to broaden the tax base and drive structural reform of the economy. There is a need to seriously invest in small business enterprises such as in tourism and agriculture so that it is inclusive. The forestry sector is a declining industry and investments are required in the growth areas.

#### Recommendation 1

**The committee recommends that the government continues to pursue reforms to enhance the enabling environment so that investors are able to invest in the productive sector to stimulate economic growth.**

**Reliability of GDP measurement** - the committee is concerned with the methodology used to measure GDP growth. The CBSI report indicates growth in the economy is declining by 1% and GDP is expected to grow by 2.7% in 2019. But this is not reflected in the livelihood of the general population of Solomon Islands. People of all walks of life are still struggling to make ends meet while CBSI, IMF and Ministry of Finance continue to announce growth in GDP every year. The committee notes there is lack of information and data on the number of people who actually benefit from the GDP growth and the GDP per capita is misleading because the vast majority of the population do not even earn USD100 annually. This information is required for informed policy making.

The CBSI states that the GDP is based on statistical measurement according to global standards and most countries use the same standard to collect and count data. The economy is growing but the issue is how it spreads in the economy. The problem is inclusive growth as only some people are benefiting

while the majority are not benefiting from the growth of the economy. One way to address the need for inclusive growth is to widen the economic base by investing more in agriculture, tourism and other sectors. The Statistics Division is responsible for collecting data to determine beneficiaries of economic growth but data collection is still a major capacity issue for the country. The usual methods used to collect such information are the population census and household income and expenditure survey (HIES).

## **Recommendation 2**

**The committee recommends that the Statistics Division develop tools to generate data on standard of living of individuals within the country to enable policy makers to address inequalities in the economy.**

**Sustainable rate of economic growth** – The committee is quite alarmed at the weak growth rate of the economy during the first half of 2019. The committee would like to know the sustainable rate of growth for a country like Solomon Islands.

As a least developing country (LDC), Solomon Islands economy should grow at a minimum of 6% to 7% in order to develop and make progress quickly. Currently the economy is growing at 2.7% compared to 3.95 in 2018 which is only a moderate growth.

**Log export** - the committee notes that the commodities production level has declined during the first half of the year by 6% while logging is reduced by 10% and this is offset by the increase in fish production. The committee would like to know what the expected trend would be for the logging sector.

The CBSI is not certain whether there would be increase or decrease in log production during the second half of 2019. There are factors that will determine the level of log production: the expectation that SIG would put in place sustainable logging measures this year and the ongoing trade war between USA and China resulting in weaker commodities prices. It is expected that logging will be reducing at a slower phase. It is important that the government revenue forecast for the next budget includes the expectation that the logging revenue will reduce.

**Fish production** – The level of fish production depends on climate conditions of the country. The local fishing companies NFD and Soltuna have extra capacity with regards to number of fishing vessels and the fish cannery so should maintain their current level of production. Additional revenue is expected from fishing licences.

**Downstream processing** – The committee is concerned that the country continues to export raw materials rather than downstream processing so that maximum benefit is derived from these resources.

The CBSI continues to emphasize the need for downstream processing, manufacturing and investment in the service sector to the government during the launching of annual reports and meetings.

**Money supply** - this is the total stock of money in the financial system which is around \$5 billion. It includes deposits of consumers, households, government deposits and foreign assets such as reserves.

The money supply is quite healthy except for the excess liquidity which remains in the banks and not lent out.

**Fall in export** – The committee notes that exports declined by 2% due to fall in copra, fish and palm oil exports. The committee requires further information on the rate of decline for each commodity and the reasons for the decline. On the fishing sector the committee is aware that there are less activity at the Honiara harbour regarding transshipment of fish. This indicates that there are less fish being caught in Solomon Islands waters.

The fall in exports is a seasonal factor due to fall in global prices even though production volume has increased for fish but offset by the fall in logs and copra production. The agriculture sector is affected by a variety of factors such as coconut rhinoceros beetle for coconut and palm oil and price for copra which stands at \$2.00 per kg. With regards to fishing the conditions in other PNA countries are favourable therefore most fish are caught in those waters. The catches by Soltuna and NFD are counted as part of GDP but the price is weak so value has dropped. Foreign fishing boats are treated as licensees and only licence fees are recorded as revenue.

**Small and medium enterprises** - the committee is concerned that the government and the country continues to focus on commodities exports rather than investing in SMEs to empower our people improve their livelihood and the economy.

The CBSI agrees that for so long the country has been relying on the export of agricultural commodities and the primary sector. There is a need to invest in SMEs so they could focus on manufacturing, services, tourism and other sectors. SMEs will contribute to inclusive growth.

**Interest rates** – the committee is very concerned with the high level of interest rates charged by the banks for loans. This has made it impossible for majority of citizens to borrow from the banks and the banks are not lending. The lending rates range from 8% to 19%. The interest rates in other comparable countries in the region are much lower than the rates prevalent in Solomon Islands. The PAC has been raising this over a number of years but the rates has never dropped to a reasonable level. The committee believes that the open market policy advocated by the CBSI is not working and requests the bank to use this monetary policy tool to induce growth in the economy. The tool should be used to manage the market so that the market is not manipulated by the banks. As uncovered by the royal inquiry in Australia in to banks, the banks are charging unreasonable fees to the public. This could be happening in Solomon Islands.

The CBSI do not set interest rates but leave it to the market to determine the rates. The lending rates that the banks charge the borrowers are the price of risk. A lot of factors contribute to the risk such as cost of doing business and information on credit rating of borrowers which is not available in Solomon Islands. The CBSI is working to engage a credit bureau to develop a credit rating score for the country and utilise the utilities companies to compile data on credit ratings for individuals and companies.

The net interest margin of the financial system has dropped to 7% in 2019 in contrast to 14% 10 years ago.

A loan guarantee scheme is already available in the CBSI for SMEs to utilise when seeking loans from the commercial banks. The utilisation rate is low for this facility.

The open market operations in Solomon Islands is still developing so the transition is weak and also a shallow financial market. The government does not actively participate in the market. It only involves treasury bills which is open to all while bokolo bills are for commercial banks only.

### **Recommendation 3**

**The committee recommends that the CBSI explore policy tools in its engagement with financial institutions with a view to reduce interest rates that is comparable and similar to the region.**

**Non-performing loans** – the committee notes that the non-performing loans for 2019 is 10.3% but would like to know the year by year average for the last 5 or 6 years and the acceptable level.

The internal benchmark for the CBSI for non-performing loans is 5% and if it goes above that then it raises a red flag. The rate went above the benchmark in fourth quarter of 2017 at 6.4% but historically the average was between 4% and 6%.

**Government debt** – The CBSI report indicates that SIG total debt is \$1.043 m and the committee is interested in the amounts for external and internal debt.

The bank will provide the information later but around 70% to 80% is for external debt while the rest is for domestic debt. The government recently borrowed from the National Provident Fund for the submarine cable project so the domestic debt could increase to 30%.

## **372 MINISTRY OF EDUCATION AND HUMAN RESOURCES DEVELOPMENT**

**Senior Education Grant** - The Committee notes that the advance warrant (AW) has not been spent and enquired into the purpose of the grant and if the Ministry has the details of the beneficiaries of the grant.

The ministry states that the grant was earmarked for senior secondary education infrastructure. The funding also caters for basic education program from year one to year nine. With regards to the schools earmarked for the grant, the ministry will furnish the committee the information at a later date. The grant was not utilized in 2018 and the donor agreed for the grant to be rolled over to 2019 to fund the identified infrastructure projects. The ministry confirms that the \$1m would not be enough to meet all infrastructure needs of all schools but it was part of a \$7m grant to fund various infrastructure projects in selected schools around the country. The total grant from DFAT was AUD1m, equivalent to SBD7m, \$6m was carried forward from 2017/2018 and the AW was to formalize the additional \$1m.

**Donor funding** - The Committee enquires into whether donor funds are required to be spent within a specific timeframe.

The ministry signed agreements with donors that contain guidelines, rules and conditions that the ministry must adhere to. However donors are usually flexible when the timeframe for the usage of the grants elapse. The ministry would discuss and request extension of time with donors if they could not progress or implement projects on a timely manner. The donor would make an assessment and if they were satisfied with the reasons for the delay then they would allow the funding to be rolled forward to the following year. The major issues which always delay project implementation are the procurement process, management of large infrastructure projects and the remoteness of some project locations. With regards to the accountability for the donor budget support, the ministry is using the SIG accounting system and the donor provides a TA to manage the funds within the ministry. Donors are satisfied with how the ministry is managing these funds. The funding is managed through two banks accounts – one in CBSI to hold the donor funding and an operational bank account in ANZ bank.

**Accounting for donor funds** - The Committee is concerned with the accounting treatment for the advance warrant since it has never been spent. The committee is of the opinion that the amount actually spent should be the amount reflected in the supplementary and the unspent portion should be reflected in the 2019 appropriation. The current treatment amounts to appropriating the amount over a number of years even though the money has never been spent.

The ministry states that the AUD1m came from DFAT in 2018. In 2017 and 2018, there was re-appropriation of about SBD6 m. The \$6m was allocated by DFAT from unspent funds in 2017 and 2018. In 2018, the condition for the re-appropriation was that MEHRD needed to spend the money before the end of the first quarter of 2018 but the ministry did not manage to spend the \$6m. As a condition of the grant agreement the ministry has to return the \$6m in order to receive the additional \$7m. To resolve the impasse Treasury advised the ministry to make virements since the \$6m was already in the bank and do an advance warrant for the \$1m. The ministry is doing a reconciliation of all unutilized funds from Australia and New Zealand.

## 273 MINISTRY OF FINANCE AND TREASURY

**Economic growth 2018** - The economic growth for 2018 was 3.8% boosted by strong performance in logging, infrastructure spending, fisheries, agriculture and manufacturing. Logging sector key contributor to overall growth with around 2.7m cubic metres of production with \$705m export duty. Inflation for the year was 4.2%

**Fiscal outcome** – The 2018 fiscal year ended with a surplus of \$373.4m in contrast to a deficit of \$265.2m in 2017. Total revenue was \$67.9m above revised budget of \$4,384.6m. The total budget support revenue was below revised budget by \$69.8m.

The total expenditure for 2018 was \$4,011.2m which was 304.3m below revised budget of \$4,315.5m. This is 93% budget execution. The development budget was underspent by \$77.8m from a revised budget of \$897m. This is 91% budget execution while 2017 had a 72% budget execution.

## **279 NATIONAL PARLIAMENT**

The National Parliament of Solomon Islands made written submission to the Public Accounts Committee.

The contingency warrant of \$905,000 was to cater for telephone bills and MPs allowances.

## **283 MINISTRY OF POLICE NATIONAL SECURITY AND CORRECTIONAL SERVICES**

**Conviction during omissions and objection period** - The Committee was informed that there were a number of minor cases that the police dealt with involving breaches of the peace and other offences that occurred during that period.

The presence of police at some of the high profile objection sites deterred a lot of potential risks. Police intelligence raised some concerns about the potential for unrest during the objections and omissions period. There was an unprecedented level of cross border registration that occurred during the voter registration exercise which resulted in more than 10,000 omissions and objections lodgments. The lodgments for 2014 were about 3,000. The deployments were to places around Guadalcanal, Malaita, Western and some high profile venues in Honiara.

**Fuel for police stations** – The Committee is concerned with reports that some police stations in Malaita were selling police fuel illegally.

The Police Commissioner is very concern with the reports and the Professional Standards are investigating the issue. Some officers were already suspended for the alleged misuse of fuel. It is an integrity issue for the police that the commissioner intends to fix.

## **299 MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY**

**National Disaster Council Fund** – The Committee would like to know if the fund has effectively addressed the intended purpose.

The ministry states that the level of resources that was available towards the end of the year was inadequate to really meet all the specific needs that came up.

**Special fund** - In view of the fact that the country is prone to natural disasters, the committee enquires whether the ministry has any plans to operate a special fund or revolving fund to cater for disasters. The National Disaster Council Act has a provision to set up a disaster fund but it has not been made operational. The government has been depending very much on budget provisions in the recurrent budget and the usage CWs for disasters.

**Commitments** – The committee was informed by CBSI that some ministries commitments were not settled on a timely basis by Treasury.

The ministry indicated that they did not encounter such issues and their procurement bills were settled on a timely basis by the Treasury.

END OF REPORT

## 4.0 APPENDICES

### Minutes of Proceedings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

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#### Minutes of Proceedings

#### Committee Hearing into the 2018 Supplementary Appropriation Bill 2019 (No.1 of 2019)

Day 1 /2019

Wednesday 28<sup>th</sup> August 2019, CR II, Parliament House 10:00 am

#### 1. Members Present

Hon. Douglas Ete, MP, Chairman  
Hon. Matthew Wale, MP  
Hon. Robertson Galokale, MP  
Hon. Nestor Giro, MP  
Hon. Rexon A. Ramofafia, MP  
Hon. Hon Rollen Seleso, MP

Secretary: Mr. Peter Lokay, Auditor General

#### Secretariat

Mr. Gregory Fineanganfo, Director Committees  
Mr. Heston Rence, Committee Secretary  
Ms. Salome Pilumate, Senior Admin. Committees  
Mr. Roland Sikua, Research  
Mr. Ray Sibisopere, Library  
Mr. Lawrence Scott, Media Officer  
Mr. Duane Baiabe, Chief Media Officer  
Ms. Theresa Nori, Hansard Reporter  
Ms. Hazel Fafale, Hansard Reporter  
Ms. Sherilyn Ragoso, Hansard Reporter

#### 2. Welcome and Opening Remarks

The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges. The Chairman invites witnesses to make their opening remarks.

#### 3. Inquiry into the 2018 Supplementary Appropriation Bill 2019 (No.1 of 2019)

The Hearing proper commenced and the following witnesses from Central Bank of Solomon Islands (CBSI) were admitted:

### Hearing 1 Witnesses

- i. Mr. Marlon Houkarawa, Management Advisor Operations
- ii. Mr. Donald Kiriau, Chief Manager Economics (Ag.)
- iii. Mr. Raynold Moveni, Chief Manager Financial System

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

*Hearing suspends at 11:42 am*

The Hearing proper resumed at 1:40 pm and the following witnesses from the Ministry of Finance and Treasury were admitted:

### Hearing 2 Witnesses

- i. Mr. Mckini Dentana, Permanent Secretary
- ii. Mr. Joseph Dokekana, Commissioner Inland Revenue, IRD
- iii. Ms. Alison Boso, DCR, Customs and Excise
- iv. Mr. Jim Sutton, Comptroller, Customs and Excise
- v. Mr. Bruce Phillips, Accountant General
- vi. Mr. Coswal Nelson, Director Budget Unit
- vii. Mr. Rictor Luaboe, Director Economic Reform Unit
- viii. Mr. Robert Meyenn, D/DMU, Ministry of Finance and Treasury

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

*The Hearing suspends at 2.00 pm*

The Hearing proper resumed at 2:12 pm and the following witnesses from the Ministry of Police, National Security and Correctional Services were admitted:

### Hearing 3 Witnesses

- i. Mr. Matthew Varley, Commission RSIPF
- ii. Mr. Mactus Forau, Permanent Secretary (Supervising), MPNSCS
- iii. Ms. Julia Twumasi, Financial Controller, MPNSCS
- iv. Ms. Martha Alabae, D/Director Finance, CSSI
- v. Ms. Alice Saeni, Chief Accountant, RSIPF
- vi. Ms. Nourah Ajaj, Finance Advisor, RSIPF
- vii. Ms. Anika Nausi, ACP Corporate Services, RSIPF
- viii. Mr. Mostyn Mangau, DC NSOB (Ag.), RSIPF
- ix. Mr. George Walahoula, Director CSSI Finance, CSSI
- x. Mr. John William, DCA, CSSI

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

*The Hearing suspends at 2:37 pm.*

The Hearing proper resumed at 2:45 pm and the following witnesses from the Ministry of Education and Human Resources Development were admitted:

**Hearing 4 Witnesses**

- i. Mr. Franco Rodie, Permanent Secretary
- ii. Mr. Joe Ririmae, Under Secretary Corporate
- iii. Ms. Merrylyn Kodoleke, Director Finance, MEHRD
- iv. Mr. McGregor Richards, Finance Adviser, MEHRD

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

*The Hearing suspends at 03:13 pm*

The Hearing proper resumed at 03:30 pm and the witness from the Ministry of Environment, Climate Change, Disaster Management and Meteorology were admitted:

**Hearing 5 Witnesses**

- i. Mr. Melchior Matakai, Permanent Secretary
- ii. Mr. Jacob Akao, Financial Controller

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

*Hearing into the 2018 Supplementary Appropriation Bill 2019 (No.1 of 2019) concluded at 3:48 pm.*

**4. Adjournment:**

The committee concluded hearing at 3:48 pm

**5. Documents Tabled**

- a. Submission #1 – CBSI - presentation on the State of the economy in 2019
- b. Submission #2 – CBSI – Possible talking points for Management Advisor Operations
- c. Submission #3 – MoFT – 2018 Budget Outcome
- d. Submission #4 – MoFT- Report to PAC on 2019 Mid-Year Economic and Budget Update
- e. Submission #5 – MoFT – PSF Talking points
- f. Submission #6 – MPNSCS – 2018/2019 Supplementary Appropriation Bill 2019 Brief to PAC
- g. Submission #7 – National Parliament – Cabinet paper requesting contingency warrant