



National Parliament of Solomon Islands

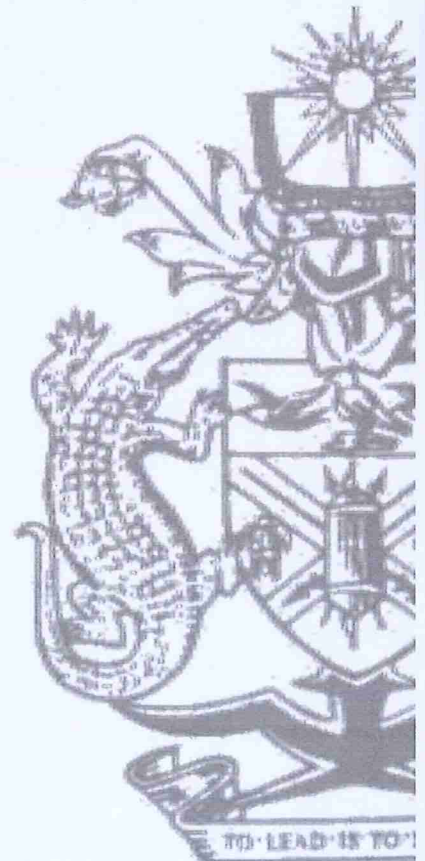
Public Accounts Committee

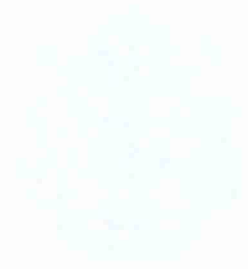
Committee Report

**Report on the 2022 Supplementary Appropriation
Bill 2023**



National Parliament Office



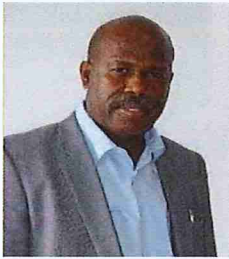


Committee Report



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 **2022 Supplementary Appropriation Bill 2023 (No.2 of 2023)** for laying before Parliament.


Honourable Douglas Ete, MP

Chairman

Public Accounts Committee

19 June 2023

Committee Membership

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

Hon. Douglas Ete, MP, Chairman

Hon. Matthew C. Wale, MP

Hon. John D. Kuku, MP

Hon. Rick N. Houenipwela, MP

Hon. Lilly Maefai, MP

Hon. John Maneniaru, MP

Hon. Alfred Efona, MP

Hon. Ethel Lency, MP

Hon. Commins Mewa, MP

Hon. Silas V. Tausinga, MP

Hon. Claudius Tei'ifi, MP

Secretary: Mr David Dennis, Auditor General

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Table of Contents

Committee Membership.....	i
Chair's Foreword	ii
Executive Summary.....	v
Chapter 1: Introduction.....	1
Chapter 2 - Background Information	3
Chapter 3 - Issues of Concern	6
01 Solomon Islands Electoral Commission	6
04 Office of the Auditor General	7
06 Ministry of Finance and Treasury	8
08 Office of the Governor General.....	13
09 Ministry of Health and Medical Service	14
12 National Parliament of Solomon Islands (NPSI)	18
14 Office of the Prime Minister and Cabinet	20
20. Ministry of Culture and Tourism	23
21. Ministry of Commerce, Industry, Labour and Immigration.....	24
23 Ministry of Fisheries and Marine Resources.....	27
24 Ministry of Public Service.....	31

26	Ministry of Justice and Legal Affairs	34
29	National Judiciary.....	35
Appendices 40		
	Committee Functions	40
	Appendix 3: Minutes of Public Hearings.....	41
	List of Documents Tabled during hearing.....	50

Executive Summary

According to the Solomon Islands Government 2022 Financial Policy Objectives and Strategies, the Real Gross Domestic Product was expected to contract by 4.5 percent in 2022 following a slowdown in key sectors and negative impacts of the November riots and COVID-19 community transmission. The Government had set three key priority areas. Firstly, the Covid-19 response to manage and control the transmission in Honiara and other provinces. Secondly, the reconstruction of the buildings destroyed during the 2021 November riots including support to affected businesses and lastly, the implementation of new economic initiatives to support economic recovery.

The economic down turn posed a risk to the economy and with a \$1,184.1 billion budget deficit, the executive should be vigilant with its debt and cash flow management strategy, and ensuring compliance with the PFM Act. Further, the funding gaps imply that unfunded initiatives will not be implemented and where reprioritisation takes place centrally, impacts to public services will naturally follow with possible unplanned consequences.

The Public Accounts Committee ("the Committee") completed its examination of the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023) from the 22nd to the 25th May and 40 witnesses appeared before the Committee.

The Bill seeks to appropriate an additional \$74,669,768 from the Consolidated Fund for the service of the financial year ending 31 December 2022. It seeks to regularize Contingency Warrants of \$12,811,002 Advance Warrants of \$61,858,766 for the services in the year ended 31st December 2022.

The Committee makes five (5) recommendations to the Solomon Islands Government:

Recommendation 1: Ministry of Health and Medical Services

The Committee recommends that the Ministry increase the Solomon Islands budget component on family planning training and access to health services for teenagers especially in the school system.

Recommendation 2: Ministry of Health and Medical Services

The Committee recommends that all new donor funded health facilities should be opened only when all operational needs including staff quarters, equipment and medicines are in place at the time the facilities are handed over to the Ministry.

Recommendation 3: Ministry of Commerce, Industry, Labour and Immigration

The Committee recommends that the Ministry of Commerce, Industry, Labour and Immigration implements or updates its policy on management and monitoring of the quality of consumer goods and services in Solomon Islands.

Recommendation 4: Ministry of Public Service

The Committee recommends that the Ministry of Public Service produce and publish a detailed cost analysis (salaries, emoluments & other entitlements) of the policy to contract all the middle Office Managers such as Financial Controllers, Human Resource Managers and Directors of the Government Ministries.

Recommendation 5: Ministry of Public Service

The Committee recommends that the Ministry of Public Service abolish the non-established roles classification for level one and two and reassess appropriate remuneration level for these roles.

Chapter 1: Introduction

This Chapter introduces the Inquiry, including the information on the Public Accounts Committee (PAC) and the inquiry process.

Overview

- 1.1 The National Parliament is the independent law-making arm of government to which the Executive is accountable to. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the Annual Appropriation or Supplementary Appropriation Acts. The Parliament also performs many of its oversight functions through its Standing Committees. The Public Accounts Committee ("the Committee") is one of the committees and is given the power to examine the annual Draft Estimates budgets prior to their tabling before Parliament.
- 1.2 The 2022 Supplementary Appropriation Bill 2023 was received by the Speaker and certified on Tuesday 25 April 2023. The Committee began its deliberations from 27th April 2023 and 4th May 2023 and held public hearings from 22nd to the 25th May 2023 to examine the Bill that seeks to appropriate an additional \$74,669,768 to the service of the year ending 31 December 2022.
- 1.3 In compliance with the Standing Orders, this Report has been prepared for the information of Members of Parliament to assist them in their debate on the Bill. It aims to draw the attention of the Members of Parliament on the Committee's findings and recommendations after the conclusion of its detailed examination of the Bill.
- 1.4 The Committee considered evidence provided by government ministries, statutory bodies, the Central Bank of Solomon Islands and sought advice from the Office of the Auditor General.
- 1.5 This Report outlines the findings of the Committee's examination of the Bill that comprises the Contingency Warrants (CWs), Advance Warrants the Recurrent Expenditures.
- 1.6 The Permanent Secretaries (PSs), Deputy Secretaries (DSs) and senior officials of various ministries who came before the Committee provided valuable information. The Committee also benefited immensely from the Office of the Auditor General. The Central Bank of Solomon Islands (CBSI) and the Ministry of Finance and Treasury provided insight and projection of economic performance for 2022.

Inquiry Process

- 1.7 In accordance with its mandate under Standing Orders 69 of the National Parliament, the Committee resolved at its meeting on 27th April 2023 to commence the examination of the Bill from 22nd to 25th May 2023. The full terms of reference are included on the Appendices of this report.
- 1.8 The inquiry process included inviting key financial institution and government ministries to make written submissions and appearing at public hearings.
- 1.9 The Committee examined **eight** government agencies, including **four** institutional offices, and received 16 submissions. A list of submissions is at the Appendices of this report and copies of the submissions are available at the Committee Secretariat.
- 1.10 Transcripts of the hearings are available at Parliamentary Hansard Department.
- 1.11 Minutes obtain from the hearings can be found in the Appendices of this report.

Chapter 2 - Background Information

This chapter outlines the brief background of the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023).

2.1 The Bill seeks to appropriate an additional \$74,669,768 for the service of the year ending 31 December 2022, which includes \$12,811,002 for Contingency Warrants, \$61,858,766 for Advance Warrants for the services in the year ended 31st December 2022.

EXPENDITURES	AMOUNT (\$)
CONTINGENCY WARRANTS - RECURRENT	\$12,811,002
ADVANCE WARRANTS - RECURRENT	\$61,858,766
TOTAL APPROPRIATED EXPENDITURES	\$74,669,768

CONTINGENCIES WARRANTS

RECURRENT			
Head	Ministry	Amount	Purpose
08	Office of the Governor General	785,002	This amount provide additional funds to replenish travel expenses used by Governor General and his delegation to London, to attend the state funeral of Late Queen Elizabeth 2.
12	National Parliament of Solomon Islands	2,568,000	This amount provides additional funds to cater for MP's touring. Clothing and sitting allowance including terminal grant and death benefit for Hon. Titus Fika.
14	Office of the Prime Minister and Cabinet	6,500,000	This amount provides additional funds to cater for Government newspaper and SIBC broadcast, the services of this head
29	National Judiciary	2,940,000	This amount provides funds for costs to cater for outstanding court circuits, court of appeal activities and other contractual commitments to continue office mandated obligations.
	Total Recurrent Contingency Warrants	12,811,002	

ADVANCE WARRANTS

RECURRENT			
Head	Ministry	Amount	Purpose
01	Office of the Electoral Commission	8,282,568	Budget Support funded by the Asian Development Bank (ADB) to cater for the Western and Choiseul provincial elections and other by-elections and other by-elections during the year.
04	Office of the Auditor General	93,948	Budget Support funded by Accountable Cash Grants provided by the Government of New Zealand Ministry of Foreign Affairs & Trade (MFAT) to cater for outstanding continuity of operations during COVID-19 for the nonrecurring remote working capability.
06	Ministry of Finance and Treasury	28,826,541	Budget Support jointly funded by ADB, SIG Domestic Development Bond, Japan Internal Cooperation Agency (JICA), DFAT, United Nations Development Programme (UNDP) and World Bank (WB) towards Economic Stimulus Package to cushion the negative impact of the COVID-19, for government cash injection to Solomon Water towards PG 2023 games. Funding to assist climate change unit to carry out programs and launching of Roadmap in FEDU.
09	Ministry of Health and Medical Services	15,730,922	Budget Support collectively funded by DFAT, World Health Organisation (WHO), UNICEF and United Nation Population Fund (UNFPA) to support the Family Planning Training, to refund unused grants, for severe acute malnutrition (SAM) and infant young child feeding (IYCF). Funding also for Mass drug administration for scabies implementation provided by Murdoch Children's Hospital Institute (Fees and Charges). Funds for Drugs and Dressings, and for Emergency management Obstetrics complication training cost and HR surge capacity for National Health Emergency operation centre cost. Funds for costs relating to Environmental Health capacity building and COVID-19 Emergency recruitment.

14	Office of the Prime Minister and Cabinet	2,484,000	Funding provided by ADB and World Bank purposely for PM's travel to UNGA and Forum leaders meeting with Indian OM. Funds to fund Kolombangara Development Advisory Committee (KDAC) taskforce programs in implementing outstanding government commitments.
20	Ministry of Culture and Tourism	557,049	Funded by MFAT purposely to support product development, visitors experience and COVID safety within the Ministry
21	Ministry of Commerce, Industry, Labour and Immigration	2,000,000	Budget Support funded by World Bank to meet the cost of additional passport booklet for official/diplomatic and ordinary passports needed by the Immigration Division.
23	Ministry of Fisheries and Marine Resources	2,870,293	Budget Support funded by MFAT towards Mekem Strong Solomon Islands Fisheries (MSSIF) Project and Bina Regional Arrangement for Governance (BRAG project) in support of the Bina Harbor Tuna Processing.
24	Ministry of Public Service	604,615	Reappropriated Budget Support funded by DFAT to enhance capacity in the Solomon Islands Government within the Ministry of Public Service.
25	Ministry of Justice and Legal Affairs	408,830	Budget Support funded by PNG for outstanding payments for supply of furniture for the new DPP office at Telekom Building.
	Total Recurrent Advance Warrants	61,858,766	

Chapter 3 - Issues of Concern

01 Solomon Islands Electoral Commission

Advanced Warrant

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
218-010-0000-22806	Election & By-Elections	11,714,801	8,282,568	19,997,369
Total		11,714,801	8,282,568	19,997,369

Appropriateness of expenditure

On November 3, 2022, the Minister granted the advanced warrant approval.

Issues of Concern

Matters of concern raised by the Committee include the following:

Clarification on the funding for the Advance Warrant (AW)

3.1 The Committee asked the SIEC office if the Asia Development Bank (ADB) had provided funding for this fund. The Committee further questioned whether this financing was intended for the elections in the Western and Choiseul provinces. The SIEC office in response stated that this funding was from the Asia Development Bank.

Synchronization of the elections

3.2 The Committee questioned whether the Western and Choiseul elections would not be included in the synchronization of elections.

3.3 The SIEC in response stated that these two provinces will not be included in the synchronization of elections.

Procurement of equipment

3.4 The Committee noted that \$2 million of the \$4.5 million budgeted for the equipment's purchase went into supplies for the Western and Choiseul elections. The Committee

therefore queried if the remaining amount was also spent on equipment for other provinces.

3.5 The SIEC office confirmed that this is correct.

04 Office of the Auditor General

Advanced Warrant

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
202-040-0000-22655	Telephone and Faxes	Nil	93,948	93,948
Total		Nil	93,948	93,948

Appropriateness of expenditure

On October 28, 2022, the Minister granted the advance warrant.

Issues of Concern

A written submission was requested from the Office of the Auditor General (OAG). The budget unit was asked to rectify OAG's explanatory note to show funds received from INTOSAI, not MFAT, as indicated in the draft Bill. There were no further concerns raised.

06 Ministry of Finance and Treasury

Advance Warrants

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actual 2022
218-150-0000-29004	ESP Support to Infrastructure Initiatives	7,259,534	3,028,540	10,288,074	9,929,288
219-150-0000-23014	Capex – Specialised Equipment	Nil	12,000	12,000	33,050
219-150-0000-22510	Public Servants – Local Other costs	Nil	624,800	624,800	158,739
219-150-0000-22509	Public Servants – Local Other Accommodation	Nil	344,000	344,000	-
219-150-0000-22508	Public Servants – Local fares	Nil	13,456	13,456	-
219-150-0000-22211	Fuel	Nil	50,280	50,280	-
219-150-0000-22105	Consultancy Fees	NIL	250,000	250,000	-
210-159-0000-22514	Public Servants – Annual Leave Fares	8,250	11,473	19,723	3,670
210-159-0000-22401	Conferences, Seminar and Workshop	9,866	38,500	48,366	43,640
210-159-0000-21301	NPF – Employers Contribution	2,737	4,445	7,182	NA ²
210-159-0000-21208	Special Duty Allowance – Public	8,212	13,335	21,547	NA ¹

² The items with “NA” are payroll related codes with no specific actual reflected against the budget item, however total payroll actuals by Head for 2022 is provided in the table below.

	Servants				
210-159-0000-21202	Housing Allowance – Public Servants	3,650	5,926	9,576	NA ¹
210-159-0000-21102	Salaries – Public Servants	36,498	59,265	95,763	NA ¹
217-150-0000-22804	SOE Recapitalization	5,342,000	24,370,521	29,712,521	14,721,010
Total		12,670,747	28,826,541	41,497,288	24,889,397

2. Appropriateness of expenditure

From July 26 to December 8, the Minister of Finance approved the Advance warrant.

3. Patterns in Expenditure

Budget type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	139.8	139.8	152.9
Budget Support	190.40	254.29	155.36
Development	30.0	65.0	43.0

4. Issues

Matter raised during the public inquiry include the following:

Bina Harbour Project

- 3.6 The Committee wanted to know the latest development with the Bina Harbour Project.
- 3.7 MOFT deputy secretary who is also a member of the project committee responded that Bina Harbour is currently progressing however; there are some issues with the landowners.
- 3.8 The Committees asked when the government would be expecting the full operation of Bina Harbour with the current progress to date.

- 3.9 MOFT responded they are looking at five years' time if things work out well with the landowners.
- 3.10 The Committee asked if they have signed an agreement with the landowners already, with MOFT advising that this question be directed to the Ministry of Fisheries and Marine Resources (MFMR).
- 3.11 Apart from the landowner issues, MOFT is following up with MFMR on further details of the model of fish operating processes that the MFMR will implementing so that MOFT can develop suitable incentives to interested fish operators.
- 3.12 A project for a design and feasibility assessment for planning and waste management and other utilities activities services for Honiara Town was accepted by the Australian program MSSIF, which supports MOFT. Modifications have been made to ensure that clear criteria for waste management, utilities, and environmental issues are in place as a result of lessons learned, such as in Noro Town where there was improper planning. Additionally, MOFT³ is in discussions with additional parties about potential finance for the entire project.
- 3.13 The Committee would like to encourage MOFT to work closely with MFMR to support the development of Bina Harbour.
- 3.14 The Committee noted that Bina Harbour Project could have significant impact on the surrounding communities however; its small budget and land issues currently limit this. The Committee sought feedback from MOFT on this.
- 3.15 PS⁴ commented the budget allocation for the project seems to be small but it is based on the preparatory stage of the project like consultation and addressing land issues. The donor partners are there for the program and will engage at the right time. Further, the SIRAP project is looking at road infrastructure from Auki to Bina, which also has some issues, which need to be resolved.

Huawei Towers

- 3.16 The Committee requested an update on the US \$66million loan for the Huawei Towers and queried when will the agreement be signed, drawn down and likely start date for the construction?

³ MOFT is referred to as the Ministry of Finance and Treasury

⁴ PS is the abbreviation for the Permanent Secretary of any Ministry

- 3.17 MOFT informed the Committee that the \$66 million financing agreement has been signed, with draw down to take place in line with the agreement. Construction is expected to start in July 2023. The Vendor will be shipping 55 towers for Guadalcanal, Central and Isabel Province during the first phase of the project. The Project aims to set up 30 towers before the South Pacific Games.

Advance Warrant limits

- 3.18 The Committee asked clarification on advance warrants issues, which were raised recently in Parliament, with the Committee commenting that in the Appropriation Act there is a section that says at no time one can go beyond the approved limit, which is currently set at \$150million. When the bill is ready to be regularize that money from the donor cannot go beyond the \$150 million limit without first increasing the limit. The Committee is interested in the Ministry's view.
- 3.19 MOFT confirmed that the advice they received from the attorney general's chamber stated that when a Minister authorises or signs an advance warrant (AW), it must not exceed the approved ceiling. In addition, MOFT advice is however that whilst they are limited to a maximum withdrawal of \$150 million at any one time, the total aggregate can go beyond the 150 million.
- 3.20 The Committee requested further details on the AW process and whether donor funds are received before the AW is issued given the current cash flow challenges and possible impact on public service delivery if funds are paid and then subsequently reimbursed by donors.
- 3.21 MOFT responded that they have clear guidelines on AW, which firstly requires funds must be already be received before issuing the AW. AG will then only authorise payment if MOFT is certain funds are received and have sufficient cash available.

South Pacific Games

- 3.22 The Committee queried how MOFT is tracking concerning the SPG preparations and how much funds is being spent for the preparation of the games?
- 3.23 MOFT responded, they would provide the information on the spending of the games since 2020 to date. Current budget has approved funds for NHA totalling \$364 million. Other Ministries have not provided up to date reporting however, historical data is available.

Government Borrowing

- 3.24 The Committee further queried what Government's borrowing plans are for 2023?
- 3.25 MOFT responded they have in place a borrowing plan for 2023, which includes domestic sources of \$433 million, of which \$40 million has already been secured last month. The borrowing plan also shows where funding will be from and for what purpose. MOFT indicated they would be happy to share a listing with the Committee.
- 3.26 The Committee asked if the modelling on borrowing includes assessment of impacts on the private sector.
- 3.27 MOFT stated that the Ministry is looking at a couple of scenarios to ensure that Government response does not trigger increase of inflation. MOFT is also talking to the CBSI to engage in the secondary market. These options provides attractive packages for interested parties to engage in bond market.

Seaweed farming

- 3.28 The Committee referred to an earlier PAC SAB 2023 public inquiry where seaweed appeared to be a good opportunity for our communities and queried what support the Ministry is planning for this area.
- 3.29 MOFT responded that they are engaged with donors on this opportunity but will need to further discuss with key partners about the importance of the seaweed project especially the short period from planting, harvesting and sale within three to five months. Discussions with MFAET are ongoing. DFAT is in the preparatory stage for potential support up to USD15-20million for seaweed investment negotiation through MALD and MFMR for the seaweed project.

Other matters

- 3.30 The Committee questioned why there are currently continuous power outage and noted that dividends from State owned enterprises should not be paid to Government instead it would be better utilised for purchasing more generators and other needed investment to improve service delivery.
- 3.31 Further the Committee commented that efforts be made to secure funds to properly locate bettlenut vendors somewhere where chewers can go and enjoy their food without making a mess in the city precinct.

- 3.32 In closing, the Committee stressed that 2022 and 2023 has significant budget deficits and funding gaps that will have impact across public services if not properly managed.

08 Office of the Governor General

Contingency Warrants

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
101-040-0000-22109	Printing, Stationery & photocopying	83,562	57,902	14,464	94,423
101-040-0000-22117	Entertainment	525,002	64,504	589,506	460,297
101-040-0000-22118	Gifts and Presents	15,300	5,700	21,000	12,000
101-040-0000-22301	Maintain – Non Residential Buildings	274,998	260,000	534,998	237,718
101-040-0000-22302	Maintain – Residential Buildings	426,260	260,000	686,260	433,835
101-040-0000-22514	Public Servants – Annual Leave Fares	151,703	20,000	171,703	155,714
101-040-0000-22651	Electricity	430,212	66,896	497,108	519,973
101-040-0000-22655	Telephone and Faxes	481,712	50,000	531,712	585,002
Total		2,388,749	785,002	3,173,751	2,498,962

1. Appropriateness of expenditure

Following Cabinet approval, the Minister granted the contingency warrant on November 18, 2022.

2. Patterns in Expenditure

Budget type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	7.3	9.1	7.0
Budget Support	-	-	-
Development	-	-	-

3. Issues

Issues of Concern

Matters of concern raised by the Committee include the following:

Contingency warrant

- 3.33 The Committee noted that the Governor General Office use of contingency warrant for the circumstances described were appropriate however recommended that some of these expenses should be included in future normal annual budget submissions.

09 Ministry of Health and Medical Service

Recurrent Budget - Advance Warrants

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals
205-202-0000-22407	Training – Provincial	Nil	245,682	245,682	-
208-217-0000-22801	Refund of Previous Years Revenue	Nil	29,733	29,733	29,733

208-202-0000-22801	Refund of Previous Years Revenue	220,400	142,652	363,052	142,652
231-218-0000-25005	Health Services Grants	Nil	2,067,650	2,067,650	1,850,550
208-202-0000-22211	Fuel	10,000	8,208	18,208	-
208-202-0000-22110	Publicity & promotions	Nil	512,977	512,977	133,850
201-208-0000-22202	Drugs & Dressings	Nil	11,000,000	11,000,000	8,337,947
206-215-0000-22401	Conferences, Seminars and Workshop	35,700	74,942	110,642	13,290
206-001-0000-21102	Salaries - Public Servants	Nil	584,435	584,435	NA
206-001-0000-25005	Health Services Grants	Nil	840,719	840,719	-
206-215-0000-22407	Training – Provincial	Nil	223,925	223,925	-
Total		266,100	15,730,922	15,997,022	10,508,022

2. Appropriateness of expenditure

Following Cabinet approval, the Minister granted the Contingency Warrant on November 18, 2022.

- 3.34 The Advanced Warrant for \$1,191,658 was entirely for Public Servant Salaries not as stated in the Bill split between salaries (\$350,939) and Health Services Grant (\$840,719).

3. Patterns in Expenditure

Budget Type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	461.6	461.6	472.7
Budget Support	168.09	193.82	115.68
Development	40.0	40.0	24.0

4. Issues

Matters of concern raised by the Committee include the following:

Current level of drugs supplies and outstanding debts

- 3.35 The Committee is keen to know the current level of drug supplies in the Country and the outstanding debt to drug suppliers
- 3.36 The Ministry assured the committee that the stock levels are adequate with current stock at the national medical stores for medicines is 79% and consumables around 89% of expected levels.
- 3.37 The Ministry also confirmed that the Department of Foreign Affairs and Trade (DFAT) allocated \$11m of the \$15.7m for payments of outstanding invoices, which was supplied last year by the overseas-based suppliers. The Ministry has utilized \$8.2 million which was paid to three preferred suppliers; South Austral Pty Ltd, Alphamed Pty Ltd, and Boucher & Muir Pty Ltd.
- 3.38 In terms of the current outstanding amount, balance is around \$26m and with the current situation, stocks have been replenished. Transportation to provinces remains a challenge. There are eight containers still at the wharf for months now that need to be cleared. The issue remains that payments are too slow. There are ongoing discussion with the Ministry of Finance and Treasury to prioritize these payments.

Plan to re-address the challenge of transportation to Provinces

- 3.39 The committee was interested better understand why the distribution of medicines to the Provinces is still a problem. Health services in Honiara and the Provinces should be at the same standard. The Committee would like to know of the Ministry's plans to address this ongoing issue.
- 3.40 The Ministry advised they are undertaking a supply chain assessment that is expected to be completed in the next two weeks. This is to look at the entire supply chain process from manufacturers to Honiara ports and including reviewing the payments system. What is yet to be established is whether the gaps are within the National Medical Stores or the second-level stores and facilities. The Ministry is currently collaborating with UNFPA to also look at stock management, training and more frequent supervisory visits to Provinces.

Family planning training

- 3.41 The Committee sought clarification on the purpose of family planning training allocations in this budget. This has been funded by bilateral partners and the committee strongly encouraged that our Solomon Islands component to also prioritize support in this area especially access to health services for women under 15, 16, and 17 years.
- 3.42 The Ministry of Health and Medical Services pointed out that current family planning training is targeting counselling services to educate couples on how to use family planning methods. There are different types of family planning methods such as pills, IUD, inserting a device under the skin of a woman that slowly releases chemicals to avoid pregnancy and use of condoms. This training is to upskill our nurses to provide the right counselling advice to married couples and women on the suitable method(s) to use.
- 3.43 The Ministry noted that women's interest in reproductive health services depends on their daily work and other challenges like cultural issues distance and so forth. These services will assist women and couples to consider the socio-economic, well-being, nutrition and the recovery of a woman as important factors that need to be considered in raising a child.

Recommendation 1

The Committee recommended that the Ministry increase the Solomon Islands budget component on family planning training and access to health services for women under 15, 16, and 17 years old.

Use of donor funds

- 3.44 The Committee is curious to know about the advances that have been promised by the donor agencies. The Committee also pointed out that donor funded clinics in the Provinces are being completed without the staff facilities and necessary equipment to be fully operational.
- 3.45 The Ministry noted that that the advances are for the Ministry's development partners' project accounts which were received but not captured in the 2022 budget.
- 3.46 The Ministry also noted the Committee comments on use of development budget to build clinics without all the infrastructure needed. This is due to the need to share limited budget across Provinces and plans to do in stages depending on budget availability.

Recommendation 2

The Committee recommends that all new donor funded health facilities should be opened only when all operational needs including staff quarters, equipment and medicines are in place at the time the facilities are handed over to the Ministry.

12 National Parliament of Solomon Islands (NPSI)**Contingency Warrants**

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
101-282-0000-21210	MP's Allowances	880,979	550,000	1,430,979	NA ⁵
101-001-0000-26001	Pensions & Gratuities	352,630	2,036,000	2,388,630	NA ¹
Total		1,233,609	2,586,000	3,819,609	NA ¹

The contingency warrant is to cater for number of program and activities as follows:

- Pension and gratuity payments
- Parliament members allowances
- Budget for Covid-19 response and recovery programs
- Terminal grant and death benefits for late Hon. Member for West Kwara'ae.

2. Appropriateness of expenditure

Following Cabinet approval, the Minister granted the contingency warrant on July 18, 2022.

⁵ The items with "NA" are payroll related codes with no specific actual reflected against the budget item, however total payroll actuals by Head for 2022 is provided in table below under section 3.

3. Patterns in Expenditure

Budget type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	96.2	99.9	94.2
Budget Support	-	-	-
Development	2.7	2.7	0.9

4. Issues

Matters of concern raised by the Committee include the following:

Clothing Allowances

- 3.48 The committees queried if the clothing allowances for all members of the parliament (MP) has been paid in full this year 2023.
- 3.49 The NPSI responded that all the MPs clothing allowances were processed and paid in 2023.

Parliament Committee

- 3.50 The Committees remains concerned that the work and progress of the committees is still a challenge with insufficient budget.
- 3.51 The NPSI responded that securing sufficient budget is still the main challenge currently faced. NPSI is discussing options with MOFT and MHMS.

Death Benefit for Member of the Parliament

- 3.52 The Committee noted that death benefits of the members of the parliament must be included in the budget.
- 3.53 The NPSI responded that these events are both unplanned and unforeseen. As such the current process is to allocate budget through a contingency warrant when required.

Pension Benefits

- 3.54 The Committee questioned when did pensions for MP's start and if any changes since inception.
- 3.55 The NPSI responded that it was likely to have commenced in 2013. The current entitlements are if you have served for at least one year and above 50 years old you are entitled.

Governor General and Prime Minister Benefits/Pension

- 3.56 The Committee queried if the Governor General (GG) and Prime Minister (PM) has different scheme of services for their entitlements and pension. If the PM decided not to contest does he decide between which pension to take?
- 3.57 The NPSI responded that the PM entitlements are set out under the PM Acts and the GG as from 2022 has to choose to take their pension either under the MPA or under GG entitlements.

14 Office of the Prime Minister and Cabinet

Contingency Warrants

Estimates of the amount further required in the year ending 31 December 2022 for the services of this head: \$6,500,000

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
101-301-0000-22110	Publicity and Promotion	397,663	500,000	897,663	823,026
101-304-0000-22522	Patients – Overseas Fares & Other costs	100,000	4,282,000	4,382,000	2,006,928
101-300-0000-22655	Telephone and Faxes	8,009,309	218,000	8,227,309	6,690,641
101-304-0000-23011	Capex – Office Equipment	193,052	1,500,000	1,693,052	338,613
Total		8,700,024	6,500,000	15,200,024	9,859,209

Advance Warrants

Estimates of the amount further required in the year ending 31 December 2022 for the services of this head: **\$2,484,000**

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
218-304-0000-22506	MP's and MPA's – Overseas Other Costs	Nil	1,950,000	1,950,000	892,834
219-302-0000-22105	Consultancy Fees	Nil	534,000	534,000	455,200
Total		Nil	2,484,000	2,484,000	1,348,034

2. Appropriateness of expenditure

On September 23 and November 18, 2022, the Minister gave his approval to the contingency warrants. On September 7 and 23, 2022, the Minister approved the Advance Warrants.

3. Patterns in Expenditure

Budget Type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	78.9	85.4	72.0
Budget Support	-	4.03	2.69
Development	107.1	107.1	102.4

4. Issues

Matters of concern raised by the committee as follows:

KDAC Consultancy Fees

- 3.58 The Committee understands that the item Consultancy Fees of \$534,000 is for the Kolombangara Development Advisory Committee (KDAC). The Committee asked the Office of the Prime Minister and Cabinet (OPMC) to update the Committee on the functions and work of KDAC.
- 3.59 The OPMC stated that KDAC was established to provide advisory services to the Kolombangara Land Transport Foundation (KLTF), providing capacity building and strengthening the leadership and partnership with stakeholders.

The OPMC are members of KDAC.

- 3.60 The Committee was further informed that KLTF (Kolombangara Land Trust Foundation) has hired KDAC as a subcommittee to represent the Solomon Islands Government. There is no deadline other than for the committee to assist KLTF in resolving open issues while working side by side with them until the project is realized. The KDAC Subcommittee of the OPMC is in charge of the Committee.

Government newspaper and Solomon Islands Broadcasting Corporation (SIBC)

- 3.61 The Committee is interested to know more about the Contingencies Warrant expenditure on the government newspaper and SIBC.
- 3.62 According to the OPMC, a section within the organization will be in charge of creating the newspapers with assistance from the line ministries' media officers.
- 3.63 The Committee was further informed that as of last year, they are still to spend the money due to late approval of this Contingencies Warrant last year and so the reason for it to appear in the Supplementary for this year to reappropriate for spending in 2023 and officially launch this initiative.

20. Ministry of Culture and Tourism

1. Variation in appropriation

Recurrent Budget - Advance Warrants

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022	Actuals (Jan - Mar 2023)
202-382-0000-23015	Capex – Other Equipment	Nil	83,795	83,795	-	-
202-382-0000-22404	Training – Other	Nil	23,329	23,329	-	-
202-382-0000-22401	Conferences, Seminars and Workshop	Nil	42,850	42,850	-	-
202-382-0000-22301	Maintain – Non Residential Buildings	Nil	152,355	152,355	-	-
202-382-0000-22117	Entertainment	Nil	38,089	38,089	-	-
202-382-0000-22110	Publicity & promotions	Nil	21,425	21,425	-	-
202-382-0000-22105	Consultancy Fees	Nil	135,691	135,691	-	-
202-382-0000-23013	Capex – Computer Software and Hardware	Nil	59,514	59,514	-	-
Total		Nil	557,049	557,049	-	-

Purpose:

- 3.64 The Ministry's ability to deal with the impacts of COVID-19 was the major goal of this support. The funds were used to employ a technical advisor to assist with health and safety concerns. The Ministry of Culture and Tourism (MTC) did not get the money into their CBSI account on time since the creation of the fund took too long. It didn't get used because it arrived too late last year.
- 3.65 MCT is asking for the money to be used for product development, training, capacity building and to buy various equipment that will be needed by the Ministry.

2. Appropriateness of expenditure

The Minister gave the Advance Warrant his blessing on November 7, 2022.³

Issues of Concern

Matters of concern raised by the Committee include the following:

- 3.66 Since this money is yet to be used, the Committee questioned whether this amount requested has already appeared in the recent 2022 SAB 2022 and is it the same amount.
- 3.67 The Ministry stated that yes this same amount has already appeared in the recent 2022 SAB 2022.

21. Ministry of Commerce, Industry, Labour and Immigration

1. Variation in appropriation

Advance Warrants

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
219-393-0000-22115	Passports	Nil	2,000,000	2,000,000	2,000,000
Total		Nil	2,000,000	2,000,000	2,000,000

Purpose:

- 3.68 Through World Bank budget support, the Ministry received the \$2M advance warrant for an additional 5,000 passports and 2 new enrolment units for passport enrolment in the provinces. While the enrolling unit has not yet arrived, the Ministry has already received the passports.

2. Appropriateness of expenditure

The Minister gave the Advance Warrant his blessing on November 17, 2022.

3. Patterns in Expenditure

Budget type	2022 Budget Estimates (\$m)	2022 Revised Budget (\$m)	2022 Actuals (\$m)
Recurrent	42.4	42.4	35.3
Budget Support	-	-	-
Development	33.7	33.7	16.9

4. Issues

Matters of concern raised by the Committee include the following:

Mobile Enrolment Unit

- 3.69 The Committee sought an update on passport enrolments in the Ministry.
- 3.70 The Ministry stated that the passport enrolment is the first process by which any applicant completes the forms including getting thumb prints using the enrolment units. The Ministry will first establish these enrolment units in the two provincial centres, Gizo and Auki and later will be rolling out to Taro and other provinces.
- 3.71 The Ministry is also planning to build one or two immigration offices in the provinces however all processing will still be done in Honiara. The Ministry is trying their best to be more effective and efficient in the delivery of their services, especially in Honiara. The Ministry is providing the services of the mobile enrolment to help our people from the provinces to enrol from their provincial centres. The Ministry also have one mobile unit in the Consular Office in Brisbane, Australia that can help our people to renew their passport, rather than to fly in to Honiara. The cost of the enrolment unit is around USD\$25,000.00.

Passport contract with overseas firm

- 3.72 The Committee noted that there is an existing contract for the provision of 10,000 passports every year. The Committee would like to know if the 5,000 new passports for which this supplementary budget is for is to complete the 10,000 passport for this year or is in addition?

- 3.73 The Ministry responded that the Bio on Transfer (BOT) is an agreement between the Solomon Islands Government and an Irish Company from Malaysia signed in 2015. The Ministry stated in the agreement the parties agreed to supply 10,000 unit of blank passport every year, which includes ordinary, official and diplomat passports at the price of USD\$110.00 per blank passport. Since 2015 up until 2020, there has been a significant change in demand for passports and so the amount estimated back in 2015 for the next twenty years has changed. This amounts to an estimated \$8 million each year in the budget however from 2020 to 2022 the Ministry budget was also cut to \$6mio for between 5000 to 6000 passports each year. After the Labour Mobility policy came into effect the demand for passports easily gets to the 10,000 units per year.
- 3.74 The Committee noted that the issuing of passport is now increasing each year and recommended the Ministry put sufficient budget in 2024 and future years to properly prepare for this change. The Committee queried if the Ministry has any data from MFAET and MEHRD on likely number of students and others who will need to travel in 2024? .
- 3.75 The Ministry in response stated there is currently no data provided by the Ministry of Foreigner Affairs and Ministry of Education of likely traveller in coming year 2024. Given applications are now online these Ministries should have data to share and will be approached as part of the 2024 budget planning for MCILI.

Betelnut

- 3.76 The Committee recommended the Ministry consider a viable strategy and location for local farmers to sell their betelnut products. This is a significant source of livelihood for Solomon Islanders for paying of school fees and other households needs.

The Ministry noted this suggestion.

Consumer Affairs and Price control

- 3.77 The Committee commented they have received community feedback that the quality of goods and services in terms of value for money is poor and becoming a serious concern for our people.

Recommendation 3: Ministry of Commerce, Industry, Labour and Immigration

The Committee recommends that the Ministry of Commerce, Industry, Labour and Immigration implements or updates its policy on management and monitoring of the quality of consumer goods and services in Solomon Islands.

3.78 The Ministry noted on this concern.

Establish in country Passport printing

3.79 The Committee noted that printing of passport overseas is very much expensive and that the Ministry should consider investing in building capability to print passports in country.

3.80 The Ministry in response confirmed that the 20 year agreement with a Malaysia company covers this however this is due for review every five years. The review to this agreement was proposed in 2019 and 2020, however, the review was put on hold due to the COVID-19. Currently, the Ministry is reviewing the 2012 Immigration Act and the Passport Act 2012. The Passport Act still does not have a commencement date. Once these matters are addressed before the Ministry will look into the Bio On Transfer (BOT).

3.81 In relation to in country printing of passports, the Ministry agrees with the Committee's views. The challenge the Ministry is facing is the lack of technical capacity and suitable equipment however if these are addressed the Ministry would like to print passports in country. In addition, the Ministry informed the committee that Belarus was the passport supplier previously however when comparing Belarus and the current Irish company, the Irish company is safer and has more secure systems than Belarus.

3.82 The Ministry will provide a copy of the signed agreement to the Committee.

23 Ministry of Fisheries and Marine Resources

1. Variation in appropriation

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals
202-001-0000-22515	Others – Local Fares	Nil	75,000	75,000	15,900
202-001-0000-23013	Capex – Computer Software and Hardware	50,000	220,000	270,000	147,008

202-001-0000-23011	Capex – Office Equipment	Nil	6,000	6,000	-
202-001-0000-22514	Public Servants – Annual Leave Fares	62,000	20,000	82,000	7,557
202-001-0000-22404	Training – Other	60,000	31,715	91,715	617
202-001-0000-22401	Conferences, Seminars and Workshop	37,000	75,000	112,000	111,965
202-001-0000-22651	Electricity	49,640	5,000	54,640	54,590 ⁶
202-001-0000-22110	Publicity & promotions	135,000	20,000	155,000	99,239
202-001-0000-22306	Maintain – Motor Vehicles	12,000	5,000	17,000	10,000
202-001-0000-27001	House rent	522,800	27,150	549,950	412,800
202-001-0000-22211	Fuel	15,000	5,000	20,000	14,270
202-001-0000-22205	Office Stationery	160,000	8,000	168,000	24,149
202-001-0000-22109	Printing, Stationery & photocopying	180,000	25,000	205,000	192,864 ¹
202-001-0000-22101	Advertising	20,000	2,500	22,500	1,950
202-001-0000-21301	NPF – Employers contribution	43,725	5,261	48,986	NA ⁷
202-001-0000-21205	Various Allowances – Public Servants	15,000	7,500	22,500	NA ²
202-001-0000-21202	Housing Allowance – Public Servants	6,600	300	6,900	NA ²
202-001-0000-21102	Salaries – Public Servants	605,598	70,145	675,743	NA ²
202-001-0000-22109	Printing, Stationery & photocopying	180,000	45,000	225,000	192,864 ¹
202-432-0000-23002	Capex – Non Residential Buildings	2,816,955	80,000	2,896,955	1,556,124 ¹

⁶ These budget lines are repeated with more than one warrant being applied to the budget line. The Actual is the total actual for the year having applied the various advanced warrants.

⁷ The items with “NA” are payroll related codes with no specific actual reflected against the budget item, however total payroll actuals by Head for 2022 is provided in the table below.

202-001-0000-22105	Consultancy Fees	54,560	615,000	669,560	99,907
202-430-0000-22105	Consultancy Fees	2,190,155	625,000	2,815,155	2,805,395 ¹
202-432-0000-23002	Capex – Non Residential Buildings	3,879,365	376,597	4,255,962	1,556,124 ¹
202-432-0000-22105	Consultancy Fees	231,000	113,079	344,079	305,079
202-430-0000-22105	Consultancy Fees	2,190,155	374,344	2,564,499	2,805,395 ¹
202-001-0000-22651	Electricity	49,640	32,702	82,342	54,590 ¹
Total		13,566,193	2,870,293	16,436,486	

2. Appropriateness of expenditure

On July 19 and December 8, 2022, the Minister approved the Advance Warrant.

3. Patterns in Expenditure

Budget Type	2022 Budget Estimates (\$m)	2022 Revised Budget (\$m)	2022 Actuals (\$m)
Recurrent	23.9	23.9	19.1
Budget Support	32.00	38.29	8.92
Development	15.0	15.0	6.9

4. Issues

Matters of concern to the Committee are as follows:

Bina Region Arrangements for Governance (BRAG) Project

3.83 The Committee is curious in BRAG's involvement in the Bina Harbour Project.

- 3.84 The BRAG initiative, according to the Ministry, is a separate undertaking having connections to the Bina initiative. The BRAG initiative is important in supporting the Bina project because it helps landowner organizations get ready to set up the proper institutional governance structures and mechanisms. The establishment of BRAG will help landowner organizations get ready for business and entrepreneurial ventures as and when the time comes. This is a result of the Ministry's observation of the lessons from the Noro and Tina Hydro projects and adoption of a slightly different strategy, particularly in preparing landowner groups. The Ministry is moving forward with its awareness initiatives for the BRAG project, which began in 2022.

Seaweed Farming

- 3.85 The Committee asked the Ministry on the application process to farm seaweed.
- 3.86 The Ministry stated that the seaweed commodity is in high demand, with current allocation not sufficient to deal with current application volumes. The Ministry noted that the seaweed is a commodity that has quick returns due to short period from planting through to harvesting.
- 3.87 They also stated that in terms of the process, upon receipt of the application, viability assessment is the first step undertaken. If it is viable the Ministry will link the applicant with the businesses (buyers) the Ministry has in their records, to start engaging with the community to undertake further assessment and community awareness. The support from the Ministry is ongoing and focuses on viable areas only.

Consultation Fees

- 3.88 The Committee raised concerns on the number of consultation fees are included in the budget. The Committee queried how many reports have these consultants produced from last year 2022.
- 3.89 The Ministry responded that they do not have the reports at hand but continue to records of accomplishment of the minutes and other relevant documents. The Ministry committed to providing further details of the consultancies undertaken for the period of 2022 financial year.

24 Ministry of Public Service

Advance Warrants

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
201-001-0000-23014	Capex – Specialised Equipment	211,075	4,000	215,075	129,890
201-001-0000-22509	Public Servants – Local Accommodation	Nil	75,000	75,000	-
201-001-0000-22508	Public Servants – Local Fares	Nil	47,000	47,000	-
201-001-0000-22404	Training Other	Nil	19,000	19,000	-
201-001-0000-22401	Conferences, Seminars and Workshops	Nil	58,650	58,650	3,941
201-001-0000-22205	Office Stationery	Nil	31,700	31,700	-
201-001-0000-22109	Printing Stationery and Photocopying	Nil	55,000	55,000	38,970
201-001-0000-22105	Consultancy Fees	299,500	300,000	599,500	258,135
201-001-0000-22101	Advertising	Nil	14,265	14,265	-
Total		510,575	604,615	1,115,190	430,936

3.90 The Ministry during their presentation explained that the \$604,615 funding allocation was from the Australia (DFAT), under the budget support and came as an 'Accountable cash grant.' This budget supports capacity in the Ministry to implement four activities as follows:

- (a) The sexual harassment survey across the public service. A tender has been made and a consultant has been doing the work and there is a report produced which the Ministry is working on. A cabinet information paper is also being prepared.

- (b) Under take reviewing of organizational audit across the service including in the provinces e.g. Malaita enabling infrastructure, staff houses or identifying what hinders posting public servant in the provinces.
- (c) Installation of CCTV in the Ministry, the electronic attendance management system and cameras install around the premises
- (d) To extend the National Development Strategy (NDS) 2017–2021 for the SI government public service, which is currently up for renewal. The ministry uses the NDS to inform this five-year strategy, which includes some mid-year strategy. This covers things like preserving the Solomon Islands' sense of national security, promoting gender equality, developing those medium-term goals, and coming up with mid-year-term projects.

2. Appropriateness of expenditure

The Minister gave the Advance Warrant his blessing on August 29, 2022.

3. Patterns in Expenditure

Budget type	2022 Budget Estimates (\$m)	2022 Revised Estimates (\$m)	2022 Actuals (\$m)
Recurrent	26.2	26.2	24.6
Budget support	0.51	1.12	0.43
Development	2.8	2.8	-

4. Issues

Matters of concern raised by the Committee include the following:

Office Attire/Dress Code of Public Servants

- 3.91 The Committee is concerned about the lack of upholding proper dress code by the public servants generally across all ministries as stipulated under the Code of Conducts. The Committee is interested to know what the Ministry of Public Service is doing to address this issue.

- 3.92 The Ministry of Public Service agreed with the Committee's observation and expressed the same worry. The Ministry will keep reminding the Public Servants to uphold those standards as the guardian of the Code of conduct.

Contract Policy for Senior Public Servants

- 3.93 The Committee understands that the Ministry is rolling out its contract policy initiative for senior public servants, starting with the Permanent Secretaries (PS) and Under Secretaries (US) and so the committee is interested to know the status of this policy and where in the structure has the Ministry addressed to date.
- 3.94 The Ministry stated they have completed the contracts for the Deputy Secretaries and Under Secretaries of the line ministries and now they are going down to the nine Provinces. This is a policy directive from Cabinet to decentralise senior public servants to the provinces and so we now have established contracts for the Deputy Provincial Secretaries, Provincial Planners, and Provincial Treasurers in addition to the Provincial Secretaries who are already on contracts.
- 3.95 The Committee were also informed that the next step is to do contracts for the middle office managers that hold positions like Financial Controllers (FC), Human Resource Managers (HRM), and Directors especially those that are directly in line to carry out the Government policies.

Recommendation 4: Ministry of Public Service

The Committee recommends that the Ministry of Public Service produce a detailed cost analysis (salaries, emoluments & other entitlements) of the policy to contract all the middle Office Managers such as Financial Controllers, Human Resource Managers and Directors of the Government Ministries.

Sexual Harassment Survey

- 3.96 The Committee noted that one of the four activities that this Advance Warrant under the Supplementary budget was to carry out a sexual harassment survey within the Public Service and produce a cabinet paper on its findings. The Committee is interested to know more about the outcome of this survey.

- 3.97 The Ministry stated that through the survey they have discovered that sexual harassment is a problem and that there are cases across the Public Service. The Ministry further stated that the findings of the survey are now finalised and it will then be presented in the form of a cabinet paper to the cabinet for endorsement. Hopefully once Cabinet approves, the Ministry will come up with a new Anti-Sexual Harassment Policy.
- 3.98 The Committee was also further informed that in terms of data, sexual harassment cases, as stated in the survey, stands at less than 50 percent and this is slightly lower due to hesitation to report such cases by those that are victims.

Non-Establish Staff Classification

- 3.99 The Committee understand that the lower ranks of Public Servants on level 1 & 2 are non-established staff and the Committee wants to emphasise that this model was adopted from the British Colony and is no longer appropriate.
- 3.100 The Ministry stated that they have considered this issue but budget constraints continue to be the main challenge. The intention remains to abolish the classification of non-established roles and to increase the salary for those at level one and level two.

Recommendation 5: Ministry of Public Service

The Committee recommends that the Ministry of Public Service abolish the non-established roles classification for level one and two and reassess appropriate remuneration level for these roles.

26 Ministry of Justice and Legal Affairs

Advance Warrants

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actuals 2022
221-001-0000-23002	Capex – Non Residential Buildings	Nil	23,323	23,323	23,323
221-001-0000-23011	Capex – Office Equipment	Nil	385,507	385,507	385,507

Total		Nil	408,830	408,830	408,830
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3.101 The Ministry explained that the Advance warrant towards the end of the last year was purposely to look for a new office from the LKP building, as it was too small. A new site at Telekom was identified in late 2022 and the budget was used to secure the new facility, complete cabling and setup internet and setup the office.

2. Appropriateness of expenditure

The Minister gave the Advance Warrant his blessing on September 28, 2022.

3. Patterns in Expenditure

Budget Type	2022 Estimates (\$m)	Budget	2022 Revised Budget (\$m)	2022 Actuals (\$m)
Recurrent	40.9		40.9	36.5
Budget Support	-		0.41	0.41
Development	3.0		3.0	0.3

4. Issues of Concern

Matters of concern raised by the Committee include the following:

The Committee noted the Ministry's presentation and did not raise any matters of concern.

29 National Judiciary

1. Variation in appropriation

Contingency Warrants

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates	Actual 2022
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101-536-0000-22514	Public Servants – Annual Leave Fares	61,000	70,000	131,000	104,445
101-535-0000-22514	Public Servants – Annual Leave Fares	64,870	27,000	91,870	31,077
101-534-0000-22514	Public Servants – Annual Leave Fares	35,000	35,000	70,000	27,614
101-533-0000-23013	Capex – Computer Software and Hardware	Nil	50,000	50,000	-
101-533-0000-23011	Capex – Office Equipment	Nil	70,000	70,000	-
101-533-0000-22514	Public Servants – Annual Leave Fares	120,000	80,000	200,000	198,229
101-532-0000-23011	Capex – Office Equipment	15,300	70,000	85,300	-
101-532-0000-22401	Conferences, Seminars and Workshop	33,609	150,000	183,609	425,859
101-532-0000-22205	Office Stationery	29,070	15,000	44,070	8,700
101-532-0000-22116	Medical Assessment	292,024	50,000	342,024	36,398
101-532-0000-21201	Housing Allowance	1,307,935	300,000	1,607,935	NA
101-531-0000-21211	Court of Appeal Allowances	797,899	500,000	1,297,899	NA
101-471-0000-22514	Public Servants – Annual Leave Fares	40,000	30,000	70,000	29,066
101-471-0000-23013	Capex – Computer Software and Hardware	15,000	50,000	65,000	44,400
101-471-0000-22510	Public Servants – Local Other costs	250,608	80,000	330,490	34,780
101-471-0000-22509	Public Servants – Local Accommodation	275,490	70,000	345,490	241,020
101-471-0000-22508	Public Servants – Local Fares	152,120	20,000	172,120	15,604
101-471-0000-22205	Office Stationery	15,000	15,000	30,000	-
101-471-0000-22204	ICT Supplies	10,000	6,000	16,000	-
101-530-0000-23013	Capex – Computer Software and Hardware	28,924	50,000	78,924	59,200
101-530-0000-23011	Capex – Office Equipment	10,702	20,000	30,702	-

101-530-0000-22514	Public Servants – Annual Leave Fares	98,000	75,000	173,000	137,251
101-530-0000-22306	Maintain – Motor Vehicles	11,730	14,000	25,730	-
101-530-0000-22205	Office Stationery	25,050	27,000	52,050	2,000
101-530-0000-22204	ICT Supplies	15,963	26,000	41,963	-
101-001-0000-22656	Water	294,651	150,000	444,651	204,695
101-001-0000-22655	Telephone and Faxes	371,754	250,000	621,754	624,903
101-001-0000-22651	Electricity	1,524,541	350,000	1,874,541	1,797,855
101-001-0000-22514	Public Servants – Annual Leave Fares	250,500	64,000	314,500	327,791
101-001-0000-22306	Maintain – Motor Vehicles	26,775	6,000	32,775	-
101-001-0000-22302	Maintain – Residential Buildings	30,600	100,000	130,600	12,000
101-001-0000-22301	Maintain – Non Residential Buildings	105,772	100,000	205,772	66,037
101-001-0000-22205	Office Stationery	38,686	20,000	58,686	2,365
Total		6,348,573	2,940,000	9,288,573	4,431,289

2. Appropriateness of expenditure

The Minister approved the Contingency Warrant on the 24th October 2022 following Cabinet approval.

3. Patterns in Expenditure

Budget Type	2022 Budget Estimates (\$m)	2022 Revised Budget (\$m)	2022 Actuals (\$m)
Recurrent	31.1	34.0	28.1
Budget Support	-	-	0.07
Development	5.0	5.0	3.4

4. Issues

Matters of concern raised by the Committee as follows:

Insufficient Funding

- 3.102 The Committee noted that over the recent past inquiries, the National Judiciary (NJ) made budget submissions for similar expenses for court circuits, the court of appeal activities and other contractual commitments. The Committee queried how much NJ needed and whether there is a business, case made on these matters.
- 3.103 The Chief Executive Officer informed the Committee that they have not done any business case but rather they are looking forward to their annual report, which will show the challenges faced by the National Judiciary concerning insufficient funding that has become an ongoing issue for the office.
- 3.104 The NJ admitted that insufficient funding is an ongoing issue taking into account the geographical locations of our small islands and the local courts concerning the need for local court circuits in the country.
- 3.105 The Committee urged the National Judiciary to produce a business case and submit it to the budget unit within MOFT about the ongoing funding challenges.

Court Circuits

- 3.106 The Committee requested further details on which judicial circuits and for which courts the contingency warrant related to.
- 3.107 The Chief Executive Officer informed the Committee that the court circuits include the Court of Appeal, High Court, Customary Land Appeal Court, the Magistrate Court and the Local Court.

Disposal rate of Court of Appeal Cases

- 3.108 The Committee enquired into the number of cases in which the court of appeal managed to dispose of under this contingency warrant.
- 3.109 The Registrar informed the Committee that despite the financial challenges faced by the National Judiciary and with the Contingency Warrant two sittings were held

which spread over four weeks. Forty Court of Appeal cases were completed last year with a completion rate of 102% under the Contingency Warrant, which shows a drop from the year 2021.

END OF REPORT

Appendices

Committee Functions

The Committee is established under *Standing Order* 69; an Order made pursuant to the *Constitution*⁸ 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.

⁸ Section 62, *Constitution of Solomon Islands* 1978.

Appendix 3: Minutes of Public Hearings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

P.O. Box G19,
Honiara.
Tel: 28520/24164.
Fax: 24272

PUBLIC ACCOUNTS COMMITTEE

Minutes of Proceedings

Committee Inquiry into the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023)

Day 1/2023

Monday 22nd May, Parliament Building, 10:22 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
Hon. Matthew Wale, MP
Hon. John Dean Kuku, MP
Hon. Rick Houenipwela, MP
Hon. John Maneniaru, MP
Hon. Commings Mewa, MP
Hon. Ethel Vokia, MP

2. Apologies

Hon. Silas Vaqara Tausinga, MP
Hon. Lilly Maefai, MP
Hon. Alfred Efona, MP
Hon. Claudius Tei'ifi, MP

3. Secretary

Mr. David Dennis, Auditor General

4. Secretariat

Mr. Heston Rence, Committee clerk
 Ms. Salome Pilumate, Committee Secretary
 Mr. Whitmon Tabiru, Committee Secretary
 Ms. Sherilyn Ragoso, Hansard Officer
 Ms. Theresa Nori, Hansard Officer
 Mr. Greg Kinimete, Hansard Officer
 Mr. Pamentha Golo, ICT Officer
 Mr. Lawrence Scott, Media Officer

5. Prayer

The MP for Temotu/Nende, Hon. Commins Mewa said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023)

The Hearing proper commenced and the following witnesses from the Ministry of Finance and Treasury (MoFT) were admitted.

Hearing 1 Witnesses

- i. Mr. McKinnie Dentana, Permanent Secretary
- ii. Mr. Coswell, Deputy Secretary Fiscal
- iii. Mrs. Marcellina Loe, Director Budget
- iv. Mr. Selwyn Takana, DSE

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 11:28 am

The Hearing proper resumed at 1:51 pm and the following witnesses from the Ministry of Health and Medical Services (MHMS) were admitted:

Hearing 2 Witnesses

- i. Dr. Nemias Bainivalu, DSPH/ PS (Supervising)
- ii. Dr. George Malefoasi, CEO, National Referral Hospital
- iii. Mr. Wesley Kukutu, Manager, National Medical Store
- iv. Mr. Jacob Akao, FC
- v. Mr. Umata Riimana, CA
- vi. Ms. Judy Sipendi, FMA

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 2:24 pm.

The Hearing proper resumed at 2:31 pm and the following witnesses from the Office of the Prime Minister and Cabinet were admitted:

Hearing 3 Witnesses

- i. Mr. Leonard Ofanu'u, DSPMC (SPM) Supervising
- ii. Ms. Florence Joel, DSTC
- iii. Mr. Malcolm Foufaka Soai, Financial Controller (Ag)

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 2:41 pm

The Hearing proper resumed at 2:43 pm and the following witnesses from the Solomon Islands Electoral Commission (SIEC) were admitted:

Hearing 4 Witnesses

- i. Mr. Jasper Anisi, Chief Electoral Officer
- ii. Mr. Reuben Rongomea, Chief Finance Officer

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 2:49 pm

The Hearing proper resumed at 2:51 pm and the following witnesses from the National Judiciary were admitted:

Hearing 5 Witnesses

- i. Mrs. Myounie, T. Ofasia, Registrar
- ii. Mr. Joseph Bibiasi, CEO/NJ
- iii. Mr. Dayson Boso, Local Court Coordinator
- iv. Mr. Lionel Menimer, FC/ NJ

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 3:05 pm.

The Hearing proper resumed at 3:16 pm and the following witnesses from the Ministry of Fisheries and Marine Resources (MFMR) were admitted:

Hearing 6 Witnesses

- i. Dr. Christian Ramofafia, PS
- ii. Mr. Patteson Lusi, DSC
- iii. Mr. Alick Misibini, CPA (BRAG)
- iv. Mr. Julio Aihunu, CC (Bina)
- v. Mrs. Mary Vuto, CPA
- vi. Mrs. Ivory Akao, DDI
- vii. Mrs. Ronelle Panda, DDPP
- viii. Mrs. Caroline Menigi, FC (Ag)

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

8. Adjournment

No closing prayer was said.

The hearing adjourned at 3:32 pm

Day 2/2023

Wednesday 24th May, Parliament Building- Conference Room 2, 10:04 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
 Hon. Matthew Wale, MP
 Hon. John Dean Kuku, MP
 Hon. John Maneniaru, MP
 Hon. Claudius Tei'if, MP
 Hon. Ethel Vokia, MP
 Hon. Commins Mewa, MP

2. Apologies

Hon. Rick Houenipwela, MP
 Hon. Silas Vaqara Tausinga, MP
 Hon. Alfred Efona, MP
 Hon. Lilly Maefai, MP

3. Secretary

Mr. Donald Becha Suia, Senior Auditor
 Mr. Orinza Moveni, Senior Auditor

4. Secretariat

Mr. Heston Rence, Committee clerk
 Ms. Salome Pilumate, Committee Secretary
 Ms. Cordney Wale, Committee Secretary
 Ms. Ivory Iruha'a, Committee Secretary
 Ms. Monica Sekonga, Senior Admin Committees
 Mr. Boniface Supa, Director Information Services
 Mr. Patrick Balou, Research Officer
 Ms. Florida Tamu, Library Assistant
 Ms. Sherilyn Ragoso, Hansard Officer

Mr. Greg Kinimete, Hansard Officer
 Mr. Pamentha Golo, ICT Officer
 Mr. Philemon Loe, Media Officer

5. Prayer

The MP for West Are 'Are, Hon. John Maneniaru said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023)

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

Hearing 7 Witnesses

- i. Mr. David Kusilifu, Clerk to National Parliament
- ii. Mr. Lloyd Bera, FC
- iii. Ms. Alice Tusipua, Supervising HRM

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 10:29 am

The Hearing proper resumed at 10:36 am and the following witnesses from the Office of the Governor General (OGG) were admitted:

Hearing 8 Witnesses

- i. Mr. Rawcliffe Ziza, Private Secretary
- ii. Mr. Samson Konari'i, Accounts Officer

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 10:44 am

The Hearing proper resumed at 10:49 am and the following witnesses from the Ministry of Commerce, Industries, Labour & Immigration (MCILI) were admitted:

Hearing 9 Witnesses

- i. Mr. Riley Mesepitu, Permanent Secretary
- ii. Mr. Erick George, PST
- iii. Mr. Arnold Horesi, CIO
- iv. Mr. Owen Rove, CIO

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends at 11:16pm

The Hearing proper resumed at 11:19 am and the following witnesses from the Ministry of Culture and Tourism (MCT) were admitted:

Hearing 10 Witnesses

- i. Mr. Barney Sivor, Permanent Secretary

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

8. Adjournment

No closing prayer was said.

The hearing adjourned at 11:28 am

Day 3/2023

Thursday 25th May, PTC Dining, 09:39 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
 Hon. John Dean Kuku, MP
 Hon. Matthew Wale, MP
 Hon. John Maneniaru, MP
 Hon. Ethel Vokia, MP

2. Apologies

Hon. Rick Houenipwela, MP
 Hon. Silas Vaqara Tausinga, MP
 Hon. Alfred Efono, MP
 Hon. Lilly Maefai, MP
 Hon. Claudius Tei'if, MP
 Hon. Commins Mewa, MP

3. Secretary

Ms. Wendy Ngondoro,
 Mr. Donaldson Becha, Senior Auditor

4. Secretariat

Mr. Heston Rence, Committee clerk
 Ms. Salome Pilumate, Committee Secretary
 Ms. Ivory Iruha'a, Committee Secretary
 Mr. Whitmon Tabiru, Committee Secretary
 Mr. Richard Ngatulu, Hansard Officer
 Mr. Pamentha Golo, ICT Officer

5. Prayer

Mr. Heston Rence, said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2023 (No.2 of 2023)

The Hearing proper commenced and the following witnesses from the Ministry of Agriculture and Livestock Development (MALD) were admitted.

Hearing 11 Witnesses

- i. Mrs. Joy Angi, Deputy Secretary

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 09:48 am

The Hearing proper resumed at 09:50 am and the following witnesses from the Ministry of Public Service (MPS) were admitted:

Hearing 12 Witnesses

- i. Mr. Nego Sisiolo, Permanent Secretary
- ii. Mr. Financial Controller

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 10:46 am

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

8. Adjournment

No closing prayer was said.

The hearing adjourned at 10:47 am

List of Documents Tabled during hearing

1. MoFT – PSF Talking Points – PAC Hearing
2. MoFT – SIG Annual Borrowing Plan FY2023
3. MFMR – Bina Region Arrangements for Governance (BRAG) – Activity Progress Report 2022 (June to December) & 2023 (Jan to May)

List of Other Submission

1. MoFT – Generic Template2022 SAB 2023 (No.of 2023)
2. MHMS - Generic Template2022 SAB 2023 (No.of 2023)
3. OPMC – Generic Template2022 SAB 2023 (No.of 2023)
4. NJ – Generic Template2022 SAB 2023 (No.of 2023)
5. NPO - Generic Template2022 SAB 2023 (No.of 2023)
6. MCILI - Generic Template2022 SAB 2023 (No.of 2023)
7. MPS - Generic Template2022 SAB 2023 (No.of 2023)
8. MCT - Generic Template2022 SAB 2023 (No.of 2023)
9. OAG - Generic Template2022 SAB 2023 (No.of 2023)
10. SIEC - Generic Template2022 SAB 2023 (No.of 2023)
11. MFMR - Generic Template2022 SAB 2023 (No.of 2023)
12. MFMR – A brief for PAC into 2022 SAB 2023
13. OGG - Generic Template2022 SAB 2023 (No.of 2023)