



**NATIONAL PARLIAMENT OF SOLOMON ISLANDS  
PUBLIC ACCOUNTS COMMITTEE**

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**Report on the 2009  
Supplementary Appropriation  
Bill 2009**

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**NP-Paper No. 29/2009**

Presented on 5 August 2009

National Parliament Office

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# 1 Introduction

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The Public Accounts Committee (Committee) has concluded its review and report on the 2009 Supplementary Appropriation *Bill 2009* (Bill), introduced in the House by the Minister of Finance and Treasury. The Bill was submitted to the Speaker through the Clerk to Parliament as required under the *Standing Orders*<sup>1</sup>. The Speaker examined the Bill,<sup>2</sup> endorsed it and the Bill was duly deemed to have been presented to Parliament according to Standing Order 46.

According to government business for the current (10<sup>th</sup>) meeting of Parliament, the Bill was read the first time on 30 July 2009. The Ministers second reading speech occurred on Tuesday 4 August 2009, with general debate on the Bill set down for Wednesday 5 August 2009. On 3<sup>rd</sup> August 2009, the Public Accounts Committee considered the Bill and heard evidence from relevant stakeholders. Following its review, the Committee makes this report to Parliament, with recommendations, for the information of Members and for Parliament's consideration.

## Terms of Reference

Pursuant to its mandate under the *Standing Orders* the terms of reference of the Committee in this instance is to examine the **Supplementary Appropriation Bill 2009** and to report its observations and recommendations on the Bill to Parliament.

## Functions of the Committee

The Public Accounts Committee is established under *Standing Order 69*, an Order made pursuant to the *Constitution*<sup>3</sup> and has the functions, together with the necessary powers to discharge such, to:

- (a) examine the accounts prescribed by Section 33 of the Public Finance and Audit Act 1978, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
- (b) 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;

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<sup>1</sup> *Standing Order 44* (1).

<sup>2</sup> As required by *Standing Order 45* (1).

<sup>3</sup> Section 62, *Constitution of Solomon Islands* 1978.

- (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.

## **Membership**

The current members of the Public Accounts Committee (8<sup>th</sup> Parliament) are:

Hon. Francis Zama (Chair) MP

Hon. Peter Boyers, MP

Hon. Mark Kemakeza, MP

Hon. Trevor Olavae, MP

Hon. Peter Shanel, MP

Hon. Manasseh Sogavare, MP

Mr. Edward Ronia, Auditor General (Secretary)

## 2 Background

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Section 101 of the Constitution defines the process and conditions in which funds may be withdrawn from the Consolidated Fund. Issuance of funds under a Supplementary Appropriation Bill (SAB) is provided for under section 101 (2) [b] of the Constitution; and also the provisions of sections 103 or 104 are satisfied.

The process is further detailed under section 15 (Contingency Warrants) of the Public Finance and Audit Act [Cap. 120], the provisions of Financial Instructions (FI) 182 to 186 and section 102 (3) of the Constitution. Intrinsicly, this is designed to be a transparent process to ensure that public resources are safeguarded in the interest of those who own them – i.e. the people of Solomon Islands.

The Public Accounts Committee (Committee) is responsible for the examination of draft estimates that support Appropriation Bills. The Committee subsequently reports on its findings to Parliament for the purpose of properly informing Members of Parliament and raising matters that will assist them in their deliberations.

### Objective

Aside from the parliamentary oversight responsibility that is often exercised by the Committee, the object of this report is to inform the Members of Parliament (MPs) on significant issues pertaining to the 2009 Supplementary Appropriation Bill 2009, which were examined by the Committee.

The Committee undertakes its reviews and examinations on the SAB within the parameters of the laws underpinning government finances. Furthermore, the Committee believes that its assessment must also be underpinned on sound economic strategies that are essential to achieving the common objective for which Parliament has allocated resources.

## 3 Review

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### Committee Process

In carrying out our examination of the Supplementary Appropriation Bill 2009, the Committee undertook the following:

- Review of the Supplementary Appropriation Bill;
- Heard evidence from the Permanent Secretary for Finance and 11 Permanent Secretaries on the contents and specific appropriations relevant to their portfolio contained in the Bill and the details of expenditure provided through contingency warrant, and
- Requested and reviewed certain additional documents from the Ministry of Finance and Treasury (MoFT) and other Ministries called before the Committee.

The Parliament adjourned for a day in order that the Committee could undertake its inquiry into the Bill prior to the second reading debate in the House. The Committee resolved to focus on 10 Ministries due to limited time available to it to undertake its work.

## 4 SUMMARY REPORT

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### 2009 Supplementary Appropriation Bill 2009

The Committee commenced its deliberation into the SAB on Monday 3 August 2009. The Bill seeks to appropriate \$79,575,000 with \$21,500,000 previously funded by Contingency Warrants authorised by the Minister, and \$58,075,500 of additional expenditure of which \$14,000,000 is development expenditure.

The Committee was provided with a briefing from the Permanent Secretary and officers from the Ministry of Finance and Treasury (MoFT) on 3 August 2009 outlining the major components of the supplementation bid. This was followed by evidence from the World Bank Country Manager who briefed the committee on the overall economic outlook for the Solomon Islands in the immediate and longer term.

### Communication of Outcomes

As in previous years it was apparent that many of the requests for supplementation had not been accepted by Cabinet and were consequently not included in the Bill. Permanent Secretaries appeared to be aware of which bids had been accepted although did not seem to have much information on why bids were rejected and in some cases were confused by the decisions made.

The Committee was assured that by the Ministry of Finance that the necessary consultation processes were done, in which all government ministries were invited to make submissions for addition funding. The Ministry then made consultations with the ministries following the submissions on the necessity and importance of each bid. The Committee was informed that it is difficult for the Ministry to be able to make immediate changes in the budget process more especially in light of the global economic crisis.

Although the Committee is pleased that the level of consultations has improved according to the Committee's recommendations, it still is of the view that the budget process can be streamlined and improvements made in terms of the way submissions are assessed and either included or excluded.

For example the Ministry of Police National Security and Correction Services had submitted a bid to allow it to undertake work to acquire land to build 200 houses. This construction is to be funded by international donors. The Committee noted that the decision not to approve this bid would delay or perhaps prevent the construction of houses which would be of significant benefit to the Solomon Islands economy and the Police Service if it went ahead. Considering the agreement by donors to build the houses and the importance of the work in terms of the overall effectiveness of the police service across the country and its clear links to the countries peace and prosperity the Committee is concerned that the request was not assessed as a high priority.

The Committee also raised the issue of the failed bid for important air safety equipment, reported by the Permanent Secretary of Communication and Aviation (MCA) at last week's Committee Hearing. The Permanent Secretary of MoFT provided evidence of the summary of all the bids received and that no such bid had been received from MCA. Either way, the Committee is concerned that the Ministry has identified that without the necessary funding and equipment the countries international aviation industry is going to be adversely effected, and would like the relevant Ministers to explain how the problem is going to be addressed.

The Committee again commends the greater cooperation, coordination and communication between MoFT and the line Ministries appears to have occurred in relation to the 2009 Supplementary Estimates but notes that the instances described indicate further improvement is still needed and urges all parties to continue to develop this process.

The Committee also commends those Permanent Secretaries who attended the hearing well prepared to provide information to the Committee and who had prepared the documents requested by the Committee prior to the hearing.

## **Contingency Warrants**

The Committee noted that there had been a significant decrease in the number items funded by contingency warrant from previous years. This year only three items were funded by contingency warrant and each appeared to be consistent with the parameters allowing the appropriation of funds in this manner.

The Committee continued to inform ministries which appeared, that Contingency Warrants which had been approved by the Minister for Finance must be for items which were “urgent and not reasonably foreseeable”<sup>4</sup>.

During its examination the Committee queried the Contingency warrant for Rural Electrification and whether it was consistent with section 103 of the Constitution. The Committee was assured by both the Permanent Secretaries for Finance and Mines that the Contingency warrant was within the confines of urgent and unforeseen expenditure and was consistent with the Constitutional requirements.

## **Budget Process**

The Committee noted that Permanent Secretaries frequently indicated that the 35% reservation of funds instituted earlier this year was the main reason they were making a bid for supplementary funding. Permanent Secretaries claimed that the reservation and the limits placed on the virement process has restricted their flexibility so that they were required to request supplementary funding even though the budget for their Ministry was likely to be underspent for the year.

The Committee also noted that on some occasions the original 2009 estimate was significantly less than the level of previous expenditure and the Ministry was now seeking to supplement that estimate. This indicated either a lack of rigour or undue optimism in the budget process and the Committee again reminds all Ministries to be diligent in the development of their annual budget, taking due note of historical levels of expenditure and expected activity.

The Committee is also concerned that certain key Ministries are being hampered in delivering their key services due to constraints in the budget process as well as a lack of set criteria’s to which additional funding can be sorted.

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<sup>4</sup> Section 103 of *The Constitution of the Solomon Islands 1978*  
*PAC 2009 Supplementary Appropriation Report*

## Supporting Information for the Committee

The Committee noted that a detailed whole of government statement showing current revenue and expenditure against budget figures that incorporated the supplementary appropriations would be useful to assist the Committee in their consideration of the Bill and would also be useful for Members of Parliament during the deliberations in the House.

## 5. Detailed Examination

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The Public Accounts Committee (PAC) invited hearings on 3 August 2009 from 11 Permanent Secretaries for Ministries seeking funding to discuss their bids. Whilst the full details of the hearings are in Hansard the following is a summary of the more significant matters that arose during these hearings under each Ministry for the Contingency Warrant, Recurrent and Development bids.

The hearing commenced with questions for representatives from the Ministry of Finance and Treasury (MoFT) and the World Bank. MoFT communicated to the PAC that it was still progressing its efforts to implement the recommendations of SAB 2008 and that it currently was focusing on broadening the revenue base and identifying cost efficiencies across the ministries.

PAC enquiries into why civil aviation funding for air safety equipment, referred to in the PAC hearing in the previous week, was not included in the SAB 2009, revealed that the Permanent Secretary MoFT was not aware of any supplementary funding bid being made by the Ministry of Communication and Aviation.

The PAC was taken through the Bill by the Permanent Secretary MoFT. The World Bank was then invited to make comments about the economic environment of the Solomon Islands and the region. Its comments included the following key points:

- Pacific Island nations are particularly vulnerable to the Global Financial Crises.
- The Bank encourages such nations to build foreign exchange reserves and maintain fiscal discipline.
- Log exports are expected to decrease substantially having a significant effect on GDP and government tax receipts.
- There has been a slight lowering of food and fuel prices.
- Labour migration remittances are robust sources of revenue for comparable nations. There is little labor migration from the Solomon Islands to Australia and New Zealand.
- Sustainable economic development requires encouragement of small and medium sized enterprises.

Following these discussions the representatives of the 11 Ministries which are to receive supplementary funding if the Bill is passed, were invited to present the Committee.

#### **Head 272 Ministry of Education and Human Resource Development**

Supplementary Appropriation – Recurrent	\$9,575,000
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This amount relates to additional funding required for Tertiary scholarships. The Permanent Secretary explained that the tertiary scholarships budget was overspent due to the 35% reservation policy of the government.

There is some disagreement between the Permanent Secretaries of MoFT and Education and Human Resources Development. The Permanent Secretary of MoFT indicated to the PAC that the funding relates to reimbursement of 2008 expenses, whilst the Permanent Secretary of Education and Human Resources said that it related to tertiary students allowances, tuition fees for Semester 2 students at the USP, Laucala Campus and travel costs for all students at the end of the year.

The Ministry has used 57% of its budget for the 6 months ended 30 June 2009 and has currently overspent by \$7,900,000. The Permanent Secretary explained that the tertiary scholarships budget was overspent due to the 35% reservation policy of the government. PAC was informed by the Permanent Secretary Ministry of Finance and Treasury that 25% will be de-reserved by the end of September 2009. PAC noted with concern the practice adopted as contravening Section 182 (1) of the Financial Instructions which requires de-reservation of each account code to be carried out first before application for supplementary estimates for additional funds are submitted. .

The PAC was advised that the Ministry had terminated 68 students, for Semester 2, 2009 funding, due to poor academic results in the first semester of 2009.

PAC acknowledged and commended the Ministry for the stance taken to ensure the national investments receives good returns.

## Head 273 Ministry of Finance and Treasury

Supplementary Appropriation – Recurrent	\$2,500,000
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This amount is related to the cost of staff housing which the Permanent Secretary explained was very important for the security of Customs and Inland Revenue staff.

## Head 279 National Parliament

Contingency Warrant - Recurrent	\$500,000
Supplementary Appropriation – Recurrent	\$6,200,000

The Contingency Warrant of \$500,000 relates to the replacement of the audio system. In addition \$500,000 will be required to replace the destroyed standby generator and for maintenance and running costs so that the parliament can operate effectively particularly during the present and forthcoming Parliamentary sessions in 2009. Another \$500,000 is requested for Parliamentary sessions and Committee expenses. Organisational administration cost involving review of RAMSI and Review of the National Referral Hospital services would require \$200,000. Members' allowances and Members' Micro-project grants take up \$5,000,000 of the total supplementary budget.

## Head 280 Ministry of Forestry

Supplementary Appropriation – Recurrent	\$1,500,000
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This amount is required for the establishment of Timber Rights Hearings. PAC learned with great concern of the charges by some Provinces for hearing rights meetings, charging as much as \$2,000 per sitting for the Chairman and \$40,000 for hosting the meeting. PAC is pleased with the Ministry's plans to develop a sound policy for Timber Hearing Rights to regulate and control Timber Hearing Right activities.

The PAC learnt that 600,000 cubic metres of timber was exported in the first 6 months of 2009. PAC learned with great concern that at the current rate of tree harvesting, the loggable forest will be exhausted by 2015.

## Head 281 Office of the Prime Minister and Cabinet

Supplementary Appropriation – Recurrent	\$8,500,000
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PAC was advised that this supplementary appropriation was necessary for expenses of Task Force dealing with Constitutional Reform, Commission of Enquiry into land dealings on Guadalcanal, conferences and overseas travel for MPs and public servants.

The PAC learnt with concern that the work on the State Government paper will not be completed until mid 2010 PAC although a draft paper is proposed to be completed by the Parliament sitting in November 2009.

The PAC was concerned that no proper control system exists in the Ministry for monitoring and supervising overseas trips and that over \$2,000,000 in additional expenditure for such trips was being requested. The Committee believes that the previous system under the Parliamentary Entitlements Regulations which provided for only 50% allowances for fully funded trips for Ministers and Members is more appropriate than the amended provision which provides for 100% of allowances to be given despite similar allowances being provided by donors and NGO's paying for the trip.

PAC is satisfied that a TOR is signed for the activities for the Commission of Enquiry into the Land Dealings on Guadalcanal

## Head 283 Ministry of Police National Security and Correctional Service

Supplementary Appropriation – Recurrent	\$2,000,000
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This amount relates to additional funding required for the purchase of fuel. It was communicated to the PAC that the Ministry had requested a significantly greater amount of funding for Head Quarters, Correctional Services and the Royal Solomon Islands Police Force. Supplementary appropriations are being requested because the Ministry expects to run out of funds if the 30% reservation is enforced. The Ministry confirmed that although it had found some savings, it was doubtful that services could be maintained until the end 2009 with a 30% reduction in budget.

The PAC commented on observations made relating to abuse of government vehicles for unofficial use especially outside office hours. The Permanent Secretary advised that he is aware of this and other inappropriate activity. He is not satisfied with its accounting processes and is currently directing a comprehensive review of compliance with the Financial Instructions and is putting in place measures to discipline officers guilty of misconduct.

The PAC learnt that the Ministry intends to construct housing for 200 officers as soon as possible using donor funding. However, there are delays due to uncertainties related to land ownership and use and the Ministry had requested supplementary funding to progress the resolution of these issues. The bid had been rejected. The PAC noted the importance of the project to the national economy and to the effective operation of the police force.

#### **Head 284 Ministry of Provincial Government and Institutional Strengthening**

Contingency Warrants – Recurrent	\$1,600,000
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This amount relates to additional funding required to pay Provincial Members' salaries. Upgrading of Provincial members salary was approved by the Parliamentary Entitlement Commission (PEC) in April 2009. This means the salary levels were not confirmed until after the 2009 budget was approved. As such, the Supplementary Appropriation Bill is the only opportunity available to obtain approval for the appropriation required. The Committee is very concerned that this role of PEC may also be *ultra vires* the Constitution and recommends that legal advice be sought immediately from the Attorney-General to ensure the expenditure is legal.

In addition, it was communicated to the PAC that a \$3,400,000 matching fund for the Provincial Capacity Development Fund was included in their SAB 2009 request to MoFT. It appears that MoFT has not included this in the SAB 2009. PAC was concerned that the donors' portion of the matching fund is the only fund that goes directly to the Provinces to use for investments and development and the Government appears to be renegeing a prior commitment to funding that was signed off when the project was approved. PAC was concerned that the MoFT and Cabinet should be more stringent in their priority in assessing supplementary bids.

## Head 293 Ministry of Home Affairs

Contingency Warrants – Recurrent	\$11,000,000
Supplementary Appropriation – Recurrent	\$12,200,000

The contingency warrants of \$11,000,000 are for funding required by the National Disaster Council for disaster relief for flood affected areas in Guadalcanal, Makira and Malaita. Of the \$11,000,000, the Solomon Island Government has pledged \$500,000 for emergency relief in Fiji and \$500,000 for the Australian bush fires.

The supplementary appropriation of \$12,200,000 relates to the preparation for General Elections in 2010. Registration processes and activities for the 2010 General Elections will commence in October 2009 and involve the establishment of over 800 registration centres as well as training and accommodating of 1000 staff. Registration is expected to be completed in 160 days. Registration centres will be converted to polling centres during the election. This supplementary appropriation is limited to the funding required for the 2009 financial year.

## Head 474 Ministry of Foreign Affairs and Trade

Supplementary Appropriation – Development	\$6,000,000
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The Ministry plans to construct two Chanceries, one in Canberra and one in Port Moresby. The Port Moresby chancery is under construction.

The amount relates to additional funding required for the construction of the Chancery in Canberra. There are a number of relevant factors that outlined below:

- The Chancery location has been selected and is currently being leased.
- \$3,300,000 has already been spent on the design of the building.
- The project manager has put out a request for tender to the market.
- The ground breaking ceremony is taking place on 11 August 2009.

In addition, the PAC was advised that since the original estimates were calculated, the Solomon Islands Dollar had significantly decreased in value against the Australian Dollar. Also, the land currently being leased will be forfeited if funds run out.

PAC enquired about how many trips the Minister already undertook and how many he would take in the remaining half of the year and the benefits the nation derives from the trips.

PAC requested that it be provided a list of MP overseas trip in 2009 for information.

#### **Head 479 National Parliament**

Supplementary Appropriation – Development	\$1,000,000
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This amount relates to additional funds required for the construction of a security fence at Parliament House. The contract for constructing the security fence was tendered 2008 but unfortunately could not be completed in the time available in that financial year. This funding will now allow the fence to be completed.

PAC raised the concern whether the Parliamentary land should be registered under the Ministry of Lands or the Speaker/Clerk to National Parliament to ensure the Parliament's rights over the land. The Clerk identified that a Parliamentary Precincts Act is a recommendation supported by the House in its recent review of the Report of the Special Select Committee into the Privileges, Immunities and Powers of the National Parliament.

#### **Head 495 Ministry of Mines, Energy and Rural Electrification**

Contingency Warrants – Recurrent	\$10,000,000
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The amount relates to the purchase of 2000 solar energy units for schools across 50 constituencies, thus averaging 40 solar energy units per constituency. Funding for this project was promised by the Republic of China (ROC) to be paid into a nominated CBSI account. It is intended that the Supplementary Appropriations Bill 2009 will be used as the legal vehicle to approve the spending of these funds for their intended purpose.

#### **Head 498 Ministry of Rural Development and Indigenous Affairs**

Supplementary Appropriation – Recurrent	\$7,000,000
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The amount is required to top up the Rural Constituency Livelihood Fund (RCLF). The top up will allow member's access to their 2008 allocation as a portion of this funding not yet received. In addition, the supplementary funds are necessary for a number of projects that have confirmed activities for the current year.

## **6. Recommendations**

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Upon completion of the hearing on the 2009 Supplementary Appropriation Bill 2009, the Committee recommends that:

- the Ministry of Finance and Treasury further improve the budget processes to ensure closer consultation between the Ministry of Finance and Treasury and other Ministries so that critical items are funded and logical inconsistencies do not occur. This consultation should occur before the Bill is submitted to Cabinet for endorsement.
- consultation is done with each line Ministry to develop budgets based on realistic expectations of accurate costs required to operate the Ministry's portfolio.
- the Ministry of Finance and Treasury provide the Committee with a supporting document for all future supplementary appropriation bills which provides detail of the incorporates the expected impact of the Supplementary Appropriations Bill if approved.
- the Ministry of Finance and Treasury further improve the budget processes to ensure all requests for additional funding meet certain public benefit criteria before approval with appropriate feedback on the outcomes of their submissions. This should include a written report indicating the final amounts to be included in the Bill.



**Hon. Francis Zama**

Chairman

Public Accounts Committee

5 August 2009

# Appendix 1: Minutes

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## PUBLIC ACCOUNTS COMMITTEE

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### NATIONAL PARLIAMENT OF SOLOMON ISLANDS

#### Minutes of Proceedings

#### Hearing No. 3 of 2009

#### Head 273: Ministry of Finance and Treasury

#### Meeting No. 1

Monday 3<sup>rd</sup> August 2009, Parliament House, 10:30am

#### 1. Members Present

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

#### Witness

Mr. Shadrach Fanega, Permanent Secretary, Finance and Treasury  
Mr. Andrew Idute'e, Director, Budget Unit, Ministry of Finance  
Ms. Elizabeth Kausimae, Under Secretary, Finance and Treasury  
Mr. Denton Tuke, Accountant General (Acting), Finance and Treasury

#### Secretariat

Mr. Edward Ronia, (Secretary) Auditor General  
Mr. David Luta Kusilifu, Committee Secretariat

#### In-Attendance

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General  
Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

#### 2. Inquiry into the 2009 Supplementary Appropriation

The Permanent Secretary and Officials from the Ministry of Finance and Treasury appeared before the Committee.

The Chair welcomed the Permanent Secretary and invited him to brief the committee.

The Chair tabled the following documents;

- Virements for Government Ministries as at June 2009
- Solomon Islands Government YTD June 2009 Expenditure
- Solomon Islands Government Financial Results June 2009
- 2009 Supplementary Budget Bids

The Committee questioned the PS of Finance and Treasury.

Evidence concluded.

The Committee deliberated.

The Committee then invited the representatives of the World Bank to brief the Committee on the current economic outlook in relation to the global economic recession.

Ms. Edith briefed the Committee

The Committee questioned Ms. Edith

Evidence concluded.

**3. Close**

Committee suspended for lunch at 1:20 pm.

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**Minutes of Proceedings**

**Head 281: Office of the Prime Minister and Cabinet**

**Meeting No. 2**

Monday 3<sup>rd</sup> August 2009, Parliament House, 2:35pm

**1. Members Present**

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

**Witnesses**

Mr. Ishmael Avui, Permanent Secretary Supervising  
Mr. Fred Rohorua, Permanent Secretary (Special Duties) Constitutional Reform Unit,  
Office of the Prime Minister and Cabinet  
Ms. Karen Galokale, Legal Officer, Office of the Prime Minister and Cabinet  
Ms. Modesta Namokari, Chief Accountant, Office of the Prime Minister and  
Cabinet  
Mr. Chirs Hunupaoro, Deputy Secretary to Prime Minister, Office of the Prime  
Minister and Cabinet

**Secretariat**

Mr. Edward Ronia, (Secretary) Auditor General  
Mr. David Luta Kusilifu, Committee Secretariat

**In-Attendance**

Mr. Andrew Idute'e, Director, Budget Unit, Ministry of Finance  
Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General  
Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

**2. Inquiry into the 2009 Supplementary Budget**

The Secretary to Cabinet from the Office of the Prime Minister appeared before the Committee.

The Chair welcomed the Permanent Secretary and invited him to brief the committee.

The Chair tabled the following documents;

- Supplement to the Solomon Islands Gazette NO.13, Legal Notice 22 – Commission of Inquiry Act (Cap.5)

The Committee questioned the Ministry.

Evidence concluded.

The Committee deliberated.

**3. Close**

Committee adjourned at 3:15 pm until 3:20 pm

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## Minutes of Proceedings

**Head 298: Ministry of Rural Development and Indigenous Affairs.**

**Head 474: Ministry of Foreign Affairs and External Trade.**

### Meeting No.3

Monday 3<sup>rd</sup> August, 2009, Parliament House, 3:20 pm

#### 1. Members Present

Hon. Francis Zama (Chair) MP

Hon. Peter Boyers, MP

Hon. Manasseh Sogavare, MP

Hon. Peter Shanel, MP

#### Witnesses

Mr. Judson Leafasia, Permanent Secretary, Ministry of Rural Development & Indigenous Business Affairs

Mr. Klezy Rore, Under Secretary, Ministry of Rural Development & Indigenous Business Affairs

Mr. Simon Uesikoke, Chief Rural Development Officer, Ministry of Rural Development & Indigenous Business Affairs

Mr. Sender Fifi, Deputy Secretary (Foreign Affairs), Ministry of Foreign Affairs and External Trade

Mr. Sam Tarivasa, Chief Accountant, Ministry of Foreign Affairs and External Trade

#### Secretariat

Mr. Edward Ronia, (Secretary) Auditor General

Mr. David Luta Kusilifu, Committee Secretariat

#### In-Attendance

Mr. Andrew Idute'e, Director, Budget Unit, Ministry of Finance

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General

Mr. Gerard Djan, Group Advisor Director, Office of the Auditor General

#### 2. Inquiry into the 2009 Supplementary Budget

The Chair welcomed the Permanent Secretaries and Officials, from the Ministries.

The Witnesses briefed the Committee on the operations of the Ministry and major issues relating to the 2009 Supplementary budget.

The Members questioned the Officials from Ministry of Rural Development & Indigenous Affairs and Ministry of Foreign Affairs.

Evidence concluded.

The Committee deliberated.

**3. Closed**

Committee Adjourned at 3:45pm until 3:50pm

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**Minutes of Proceedings**

**Head 280: Ministry of Forestry**

**Head 293: Ministry of Home Affairs**

**Meeting No. 4**

Monday 3<sup>rd</sup> August 2009, Parliament House, 3:50pm

**1. Members Present**

Hon. Francis Zama (Chair) MP

Hon. Peter Boyers, MP

Hon. Manasseh Sogavare, MP

Hon. Peter Shanel, MP

**Witnesses**

Mr. Fred Fakarii, Permanent Secretary, Ministry of Home Affairs

Mr. Godwin Fagatea, Chief Account, Ministry of Home Affairs

Mr. Rueben Rongonea, Senior Accountant, Ministry of Home Affairs

Mr. Gordon Konairamo, Under Secretary, Ministry of Forestry

Mr. Patterson Devi, Chief Accountant, Ministry of Forestry

Mr. Basil Gua, Commissioner of Forest, Ministry of Forestry

**Secretariat**

Mr. Edward Ronia, (Secretary) Auditor General

Mr. David Luta Kusilifu, Committee Secretariat

**In-Attendance**

Mr. Andrew Idute'e, Director, Budget Unit, Ministry of Finance

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General

Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

## **2. Inquiry into the 2009 Supplementary Appropriation**

The Chair welcomed the Permanent Secretaries and Officials, from the Ministries.

The Witnesses briefed the Committee on the operations of the Ministry and major issues relating to the 2009 Supplementary budget.

The Members questioned the Officials from Ministry of Home Affairs and the Ministry of Forestry.

Evidence concluded.

The Committee deliberated.

## **3. Close**

Meeting adjourned at 4:30pm until 4:35pm

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### **Minutes of Proceedings**

**Head 272: Ministry of Education and Human Resources Development**  
**Head 495: Ministry of Mines, Energy and Rural Electrification**

#### **Meeting No. 5**

Monday 3<sup>rd</sup> August 2009, Parliament House, 4:35 pm

#### **1. Members Present**

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

#### **Witnesses**

Ms. Mylyn Kuve, Permanent Secretary, Ministry of Education and Human Resources  
Mr. Thomas Misibini, Financial Controller, Ministry of Education and Human Resources  
Mr. Tim Ngele, Under Secretary, Ministry of Education and Human Resources  
Mr. Luma Darcy, Permanent Secretary, Ministry of Mines and Energy

#### **Secretariat**

Mr. Edward Ronia, (Secretary) Auditor General  
Mr. David Luta Kusilifu, Committee Secretariat

**In-Attendance**

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General

Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

**2. Inquiry into the 2008 Supplementary Appropriation Bill 2008**

The Chair welcomed the Permanent Secretaries and Officials, from the Ministries.

The Permanent Secretary for Education tabled the following documents:

- Ministry of Education and Human Resources Development 2009 Semi – Annual Report
- Ministry of Education and Human Resources Development Expenditure for June 2009

The Witnesses briefed the Committee on the operations of the Ministry and major issues relating to the 2009 Supplementary budget.

The Committee questioned the witnesses.

Evidence concluded.

The Committee deliberated.

**4. Closed**

Committee adjourned at 4:55pm until 5:00 pm.

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**Minutes of Proceedings**

**Head 283: Ministry of Police, National Security and Correctional Service**

**Head 284: Ministry of Provincial Government and Institutional Strengthening**

**Meeting No. 6**

Monday 3<sup>rd</sup> August, 2009, Parliament House, 5:00pm

**1. Members Present**

Hon. Francis Zama (Chair) MP

Hon. Peter Boyers, MP

Hon. Manasseh Sogavare, MP

Hon. Peter Shanel, MP

**Witnesses**

Mr. Henry Pika, Permanent Secretary, Ministry of Police, National Security and Correctional Service

Mr. Felix Koraimae, Under Secretary, Ministry of Provincial Government and Institutional Strengthening

Mr. David Hamilton, Chief Technical Advisor, Ministry of Provincial Government and Institutional Strengthening

**Secretariat**

Mr. Edward Ronia, (Secretary) Auditor General

Mr. David Luta Kusilifu, Committee Secretariat

**In-Attendance**

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General

Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

**2. Inquiry into the 2008 Supplementary Appropriation Bill 2008**

The Chair welcomed the Permanent Secretaries and Officials, from the Ministries.

The Witnesses briefed the Committee on the operations of the Ministry and major issues relating to the 2009 Supplementary budget.

The Permanent Secretary for Police tabled the following document:

- Ministry of Police, National Security and Correctional Service Summary of Bids for the 2009 Supplementary Budget

The Committee questioned the witnesses.

Evidence concluded.

The Committee deliberated.

**5. Closed**

Committee adjourned at 5:30pm until 5:37 pm.

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## Minutes of Proceedings

### Head 279: National Parliament

#### Meeting No.7

Monday 3<sup>rd</sup> August, 2009, Parliament House, 5:37pm

#### 1. Members Present

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

#### Witnesses

Ms. Taeasi Sanga, Clerk to Parliament, National Parliament Office  
Ms. Florence Naesol, Deputy Clerk, National Parliament  
Mr. Henry Baeoro, Chief Accountant, National Parliament Office

#### Secretariat

Mr. Edward Ronia, (Secretary) Auditor General  
Mr. David Luta Kusilifu, Committee Secretariat

#### In-Attendance

Mr. Peter Johnston, Deputy Auditor General, Office of the Auditor General  
Mr. Gerard Djian, Group Advisor Director, Office of the Auditor General

#### 2. Inquiry into the 2008 Supplementary Appropriation Bill 2008

The Chair welcomed the Clerk and Officials, from the National Parliament.

The Witnesses briefed the Committee on the operations of the National Parliament and major issues relating to the 2009 Supplementary budget.

The Committee questioned the witnesses.

Evidence concluded.

The Committee deliberated.

#### 6. Closed

Committee adjourned sine die at 6:00 pm.

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## Minutes of Proceedings

### Meeting No.8

Wednesday 5 August, 2009, Parliament House 10:10 am

**1. Members Present**

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

**Secretariat**

Mr. David Luta Kusilifu, Committee Secretariat

**In-Attendance**

Mr. Warren Cahill, Project Manager, Parliamentary Strengthening Project

**2. Chair's Report on the 2009 Supplementary Appropriation Bill 2009**

The Chair tabled his draft report, which having been previously circulated, was taken as being read a first time.

According to Standing Order 72 (8) the Chair proposed the question 'That the Chair's report be read a second time page by page.' Question put and passed.

The Committee deliberated and sought advice and briefings on relevant matters from the Secretariat staff.

Consideration of the report concluded.

The Committee resolved on motion of Honourable Sogavare that the report be the report of the Committee to Parliament.

The Committee further resolved that all tabled documents received during the hearings be made available to the public.

**3. Close**

The Committee adjourned Sine die at 10:40 am.

