



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

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**Report on the 2012  
Supplementary Appropriation  
Bill 2012**

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**NP-Paper No. 10/2012**

Presented on 18 September 2012

National Parliament Office

# Contents

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<b>1</b>	<b>Introduction</b>	<b>2</b>
	Terms of Reference	2
	Functions of the Committee	3
	Membership	4
<b>2</b>	<b>Background</b>	<b>5</b>
	Objective	5
<b>3</b>	<b>Review</b>	<b>6</b>
	Committee Process	6
<b>4</b>	<b>Summary Report</b>	<b>7</b>
	Contingency Warrants	7
	Advance Warrant	10
	Additional Supplementary Expenditures	12
	Error in the Bill	22
<b>5</b>	<b>Recommendations</b>	<b>23</b>
<b>6</b>	<b>Appendices</b>	<b>26</b>

# 1 Introduction

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The Public Accounts Committee (“**Committee**”) has concluded its review and report on the 2012 Supplementary Appropriation Bill 2012 (“**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 (4<sup>th</sup>) meeting of Parliament, the first and second reading of the Bill occurred on Monday, 17 September 2012.

The Committee considered the Bill and heard evidence from relevant government ministries on Tuesday 11<sup>th</sup>, Wednesday 12<sup>th</sup> and Thursday, 13<sup>th</sup> September 2012. Following its review, the Committee submits this Report to Parliament, with recommendations, for the information of Members and for Parliament’s consideration.

## Terms of Reference

Pursuant to its mandate under *Standing Orders 69*, the term of reference of the Committee in this instance is to examine the Bill and to report its observations and recommendations on the Bill to Parliament.

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

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

## Functions of the Committee

The 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;
- (c) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor's report thereon and to report the results of such examination to Parliament;
- (d) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;
- (e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
- (f) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;
- (g) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and
- (h) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

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

## Membership

The current members of the Public Accounts Committee (9<sup>th</sup> Parliament) are:

Hon. Douglas Ete, MP (Chair)

Hon. John Maneniaru, MP

Hon. Stanley Sofu, MP

Hon. Peter Shanel Agovaka, MP

Hon. Matthew C. Wale, MP

Hon. Martin Kealoe, 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. The issuing 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], (FI) 182 to 186 of the Financial Instructions Rules 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 the people of Solomon Islands.

The Public Accounts Committee (Committee) is responsible for the examination of draft estimates that support Appropriation Bills as well as Supplementary 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 on significant issues pertaining to the Bill, which were examined by the Committee.

The Committee undertakes its reviews and examinations on the Bill 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

Due to the late arrival of the Bill to Parliament, the Committee was unable to hear from all 23 Ministries who's Heads appear in the Bill and thus, resolved to take evidence from only 16 Ministries.

In carrying out the examination of the Bill, the Committee undertook the following:

- Review of the Bill, and
- Heard evidence from the 16 Ministries which had obtained funding under Contingency and Advance Warrants and further additional fundings.

The full transcripts of the Committees proceedings (contained in Hansard) will be available on the Parliamentary website at [www.parliament.gov.sb](http://www.parliament.gov.sb) at an appropriate time as soon as practicable.

## 4 Summary Report

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The Committee commenced its Hearing into the Bill<sup>4</sup> on Tuesday, 11<sup>th</sup> September 2012 and concluded its Hearing on Thursday, 13<sup>th</sup> September 2012.

The Bill seeks to authorise the legal authorization on supplementary expenditure of **\$247,102,782**, of which **\$43,265,630** is issued under Contingency Warrants, **\$54,988,157** issued under Advance Warrant and **\$148,848,995** to supplement Recurrent and Development Expenditures. The following is a summary of key findings and common themes discussed during the Committee Hearings. The issues raised below were also highlighted in preceding Supplementary Appropriations:

### 4.1 Contingency Warrant<sup>5</sup>

The Contingency Warrants of **\$43,265,630** has a recurrent amount of \$23, 265,630 and a development amount of \$20,000,000. These amounts were funded but not appropriated. The funds are new that needed to be appropriate by Parliament, hence the 2012 Supplementary Appropriation Bill 2012.

The Committee noted that \$43,265,630 million were issued to six Ministries and is outlined below;

	<b>Ministry</b>	<b>Recurrent</b>	<b>Development</b>
1.	Ministry of Foreign Affairs and External Trade	\$2, 400,000	
2.	Office of the Prime Minister	\$3,700,000	
3.	Ministry of Culture and Tourism	\$15,000,000	\$20,000,000
4.	Ministry of Mines and Energy	\$425,630	

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<sup>4</sup> **Supplementary Appropriation Bill** is a bill of parliament which seeks approval for extra allocations in addition to those already approved by the Appropriation Act for that year.

<sup>5</sup> **Contingency Warrant** is the official document that allocates extra money needed before the Supplementary Appropriation Act is approved by Parliament. The Contingency Warrants are monies already spent by the issued Ministry but since it is not appropriated for in the 2012 Appropriation Act, it is now sent to Parliament for its approval. The Minister for Finance can issue and Cabinet can approve allocations for emergencies that could not have been foreseen. Warrants apply until the last day of the Financial Year only; and then need to be replaced with a fresh annual Warrant.



5.	Ministry of Environment, Climate Change, Disaster Management and Meteorology	\$500,000	
6.	Ministry of Aviation and Communication	\$1,240,000	
	<b>TOTAL</b>	<b>\$23,265,630</b>	<b>\$20,000,000</b>

The Committee has for several years called on Ministries to seek funding for necessary expenditure during the annual budget process rather than seeking Contingencies Warrants approval to permit expenditure which was entirely foreseeable at the time of the budget process.

The Committee also noted in its evidence that most of the Ministries sought funding for expenditures that are foreseeable at the time of the Budget process but were omitted or reduced due to cutting of Bids by the Ministry of Finance and Treasury. Mr. Chanel Iroi,<sup>6</sup> the supervising Permanent Secretary to the Ministry of Environment, Climate Change, Disaster Management and Meteorology informed the Committee that his Ministry's original bid for Regional Disaster Relief in the 2012 Appropriation Bill 2012 was reduced by the Ministry of Finance and Treasury and thus, the need for additional funding through a Contingency Warrant. Although the Committee acknowledged the sentiments shared by the supervising Permanent Secretary, the Committee believed that such situations highlighted during its examination of the Bill could be best addressed through a thoroughly coordinated budget and that the Ministry of Finance and Treasury strongly caution all Ministries on the use of Contingency Warrants.

The Committee is also concerned that the Ministry of Culture and Tourism has failed to produce relevant documents relating to use of the \$15,000 and \$20,000 for its Recurrent and Development Expenditures respectively. The Committee was not able to properly scrutinise the allocations given to this Ministry as documents relating to the contractual agreements that were requested prior and during the Hearing were not provided by this Ministry. Although the Permanent Secretary of the Ministry of Culture and Tourism has assured the Committee during the Hearing that it will

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<sup>6</sup> Mr. Chanel Iroi, supervising Permanent Secretary, Ministry of Environment, Climate Change, Disaster Management and Meteorology, 12 September 2012.

provide the Committee with the relevant documents, it has yet to produce the documents to the Committee.

### **Recommendation**

- 1. The Committee is of the view that the Minister of Finance must make it clear to Permanent Secretaries that Contingency Warrants will not be approved without appropriate and convincing justification of how the request complies with *Section 103(2)* of the Constitution and *Section 15* of the Public Finance and Audit Act**
  
- 2. The Committee is also of the view that the Ministry of Finance and Treasury must consider and endorsed the submissions of Ministries for the continuation of vital services to avoid the use of Contingency Warrants in foreseeable circumstances, and so recommends.**
  
- 3. The Committee recommends that the Ministry of Culture and Tourism provide the requested documents relating to their Allocations under the Bill not later than 8:30am on Tuesday, 18 September 2012.**

## 4.2 Advance Warrant

The Committee notes that for the record this is the second time an Advance Warrant had been issued under *section 13* of the Public Finance and Audit Act.<sup>7</sup>

In his evidence to the Committee, Mr Shadrack Fanega, Permanent Secretary, Ministry of Finance explained to the Committee that the Advance Warrants are advances from the Consolidated Fund to various Ministries with the condition that the advances be repaid within 12 months.<sup>8</sup> Most of the Arrangements are done through an Accountable Cash Grant whereby Donors approves and provides funds to the Government. The Ministry of Finance and Treasury manages the Funds and works with the implementation Ministry to disburse the funds and then report back to donors. If the funds are not available due to procedural delays, implementing Ministries could apply for Advance Warrants to advance funds from the Consolidated Fund and repaid when the funds from Donors are available.

Despite the explanation given by Mr. Shadrack Fanega, Permanent Secretary for the Ministry of Finance and Treasury, the Committee is concerned that such advance from consolidated Fund should not occur just because there is procedural delay on the provision of funds from the Non Appropriated Funds. Non Appropriated Funds should be treated purely as Grants.

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<sup>7</sup> Public Finance & Audit Act Section 13.—(1) Subject to the provisions of this section the Minister may by warrant under his hand authorise the Permanent Secretary to make disbursements of moneys forming part of the Consolidated Fund or other public funds for the purpose of making advances—

(a) on behalf of and recoverable from other Governments;

(b) to or on behalf of public bodies or institutions where in the opinion of the Minister such advances are in the public interest:

Provided that such advances are repayable within a period of twelve months from the close of the financial year in which such advances are made;

(c) to or on account of any Special Fund where such advances are recoverable before the close of the financial year in which such advances are made;

(d) to public officers and elected members of Parliament for such purposes and under such terms, conditions and limitations as may be provided from time to time;

(e) to meet expenditure against an authorised loan in accordance with section 32 in anticipation of the receipt of any instalment of such loan.

(2) The total of the sums disbursed for the purpose of making advances shall not exceed in aggregate at any one time after deducting repayments and moneys on deposit an amount approved by an Appropriation Act or Acts.

<sup>8</sup> Mr. Shadrack Fanega, Permanent Secretary, Ministry of Finance, Evidence, 11<sup>th</sup> September 2012.

The Committee observed during the Hearing that an advance of **\$54,988,157** had been issued to six government ministries with arrangements from various Donors namely;

	<b>Ministry</b>	<b>Amount</b>	<b>Donor</b>
1.	Ministry of Finance & Treasury	\$12, 868,513	RAMSI
2.	Ministry of Foreign Affairs and External Trade	\$2,283,621	WTO-Geneva through UNOPS
3.	Ministry of Health and Medical Services	\$19,343,124	Australia/SPC for HSSP
4.	Ministry of Police, National Security & Correctional Services	\$11, 221,600	RAMSI
5.	Ministry of Provincial Government and Institutional Strengthening	\$73,942	Commonwealth Leadership Government Forum
6.	Ministry of Fisheries and Marine Resources	\$9,197,356	New Zealand Aid Budget Support

Whilst the Committee appreciates and applauded the work of the Donor partners in supporting the government, the Committee would also like to see a greater level of monitoring and control by the Ministry of Finance to ensure that Ministries comply with the requirements of section 13 of the Public Finance and Audit Act. The Committee would also like to see clear guidelines put in place to ensure that public monies are recouped if there is failure to repay within 12 months.

### **Recommendation**

- **The Committee recommends that despite the Accountable Cash Grant arrangement that the Government have with Donors, Fund under the Non Appropriated Funds should be treated as Grants and that advances should not be made against them.**
- **The Committee recommends that the Ministry of Finance provide the Committee with a progressive report on the repayment options of all the Advance Warrants within the 90 days of this Report being tabled.**

### 4.3 Additional Supplementary Expenditures

The additional Supplementary Expenditure of **\$148,848,995 million** comprises of a recurrent of \$143,848,995 and development of \$5,000,000.

The Committee notes that \$148,848,995 million has been issued to 22 Ministries to supplement their Recurrent and Development Expenditures for the service ending 31<sup>st</sup> December 2012. Below is a table outlining the Ministries and their allocations as shown in the Bill.

ADDITIONAL RECURRENT SUPPLEMENTARY EXPENDITURES			ADDITIONAL DEVELOPMENT SUPPLEMENTARY EXPENDITURES		
HEAD	MINISTRY	AMOUNT	HEAD	MINISTRY	AMOUNT
270	MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT	1,822,610	470	MINISTRY OF AGRICULTURE AND LIVESTOCK	500,000
271	OFFICE OF THE AUDITOR GENERAL	1,691,060			
272	MINISTRY OF EDUCATION AND HUMAN RESOURCES DEVELOPMENT	45,175,000			
273	MINISTRY OF FINANCE AND TREASURY	19,603,991			
274	MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE	3,374,630			
275	OFFICE OF THE GOVERNOR-GENERAL	642,462			
276	MINISTRY OF HEALTH AND MEDICAL SERVICES	14,567,000			
277	MINISTRY OF INFRASTRUCTURE DEVELOPMENT	170,000			
279	NATIONAL PARLIAMENT	4,584,641			
280	MINISTRY OF FORESTRY AND RESEARCH	295,519			
281	OFFICE OF THE PRIME MINISTER AND CABINET	4,719,300			
283	MINISTRY OF POLICE, NATIONAL SECURITY AND CORRECTIONAL SERVICES	5,357,530			
285	MINISTRY OF LANDS, HOUSING AND SURVEY	7,100,000			

287	MINISTRY OF CULTURE AND TOURISM INDUSTRY	15,259,450			
288	MINISTRY OF COMMERCE, INDUSTRY, LABOUR AND IMMIGRATION	425,000			
289	MINISTRY OF COMMUNICATION AND AVIATION	9,284,000	489	MINISTRY OF COMMUNICATION AND AVIATION	4,500,000
290	MINISTRY OF FISHERIES AND MARINE RESOURCES	1,006,000			
291	MINISTRY OF PUBLIC SERVICE	604,000			
293	MINISTRY OF HOME AFFAIRS	466,000			
295	MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION	922,802			
296	NATIONAL JUDICIARY	800,000			
299	MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY	5,978,000			
	<b>TOTAL RECURRENT SUPPLEMENTARY EXPENDITURES</b>	<b>143,848,995</b>		<b>TOTAL DEVELOPMENTS SUPPLEMENTARY EXPENDITURES</b>	<b>5,000,000</b>

The Committee is concerned that out of the 22 Ministries, 18 Ministries have sought huge additional funds relating to utilities and other related operational costs. Ministries have expressed their concerns to the Committee that most of their bids for these two items were either reduced or omitted in the 2012 Appropriation Bill 2012, thus, the request for huge additional funds in the Bill for the two subheads.

Below are some of the issues discussed in relation to the additional Supplementary Expenditures;

### **Utilities**

The Committee noted that there is a substantial increase in the supplementary budget for water, gas and electricity for a lot of the Ministries. Many utilities supplementary budgets have increased five or six times the original budget. The Committee understands that utilities are common basic item of expenditures that they should be properly budgeted for in the main annual budget.

A number of Ministries have responded that the Ministry of Finance and Treasury directly controls and influence how much supplementary budget to request for their utilities without the line Ministries' specific request for them. This was noted as unacceptable for the Ministry of Finance and Treasury to be dictating how much supplementary budget to request without consultation with line Ministries. Mr. Chanel Iroi, the supervising Permanent Secretary for the Ministry of Environment, Climate change, Disaster Management and Meteorology in his evidence before the Committee stated that his Ministry was not allocated any funds for Electricity and Gas in the 2012 Appropriation Bill 2012, thus, the need for funds in this Bill to cover for this expenditure.<sup>9</sup> In contrast, the Permanent Secretary of the Ministry of Health and Medical Services Dr. Lester Ross in his evidence before the Committee stated that his Ministry did not even submit a Bid for electricity and Gas in this Bill but the Ministry of Finance and Treasury has given his Ministry an allocation of \$4,567,000 for Electricity.<sup>10</sup>

### **Telephone/ Faxes**

The Committee noted that "Telephone and Faxes" is another item requested by many Ministries in the 2012 Supplementary Appropriation Bill 2012. The Committee noted in particular the more than 200% increase in the supplementary budget by the Prime Minister's Office from \$1,337,224 in the original budget to increase by \$2,874,000 in the 2012 Supplementary Appropriation Bill 2012. Such an increase calls into questions the Prime Minister's cost cutting exercise on telephone expenses recently. The Committee was informed that the telephone and utilities cost of operating the Caucus office is borne by the Prime Minister's Office.

### **Office and Residence rentals**

The Committee noted that another common item requested by Ministries in the supplementary budget is Office and Residence rentals. These are basic items of

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<sup>9</sup> Mr. Chanel Iroi, Supervising Permanent Secretary, Ministry of Environment, Climate Change, Disaster Management & Meteorology, 12<sup>th</sup> September 2012.

<sup>10</sup> Dr. Lester Ross, Permanent Secretary, Ministry of Health and Medical Service, 12<sup>th</sup> September 2012.

expenditures that Ministries should have properly budgeted for to include in the original annual appropriation Act. Except for Ministries that have newly acquired properties for rent and recruited additional staff to house, it is not acceptable not to have properly catered for such items of office and residential rents in the Annual Appropriation Act.

The Committee noted with concern the number of Ministries still spending huge amounts of money on rented properties. Many Ministries have been occupying rented properties for very long periods that the amount of money used up on rents since would have secured very high, modern standard office complexes already. It was encouraging that Ministry of Lands and Housing is improving the identity and demarcation of land boundaries in Honiara that could help secure lands for government use for office constructions.

#### **Unauthorised occupation of residential properties**

The Committee is also very concerned that a lot of government residences are still being occupied by unauthorised people who are not entitled to be housed by the government. The responsible Authorities must take strong actions to evict unauthorised occupants to save costs on rents and to create space for accommodation of government officers who are entitled for accommodations.

#### **Climate Change Adaptation Program**

The Committee saw the importance of the Climate Change Adaptation Program. Many villages, for example in West Are'are, are getting submerged during high tides. The Committee was assured by the Ministry of Environment, Climate change, Disaster Management and Meteorology, that the first tranche funding for the program is received from the European Union. There is need though for proper guidelines for the relocation of communities. There is need to undertake a pilot project first before its success can be replicated to the other needed areas in the country.

#### **Melanesian Spearhead Group ("MSG")**

The Committee also heard of the need to honour a pledge in 2009 by Solomon Islands to pay MSG US200,000. The Committee also accepted the request for



supplementary budget to honour the long outstanding pledge to maintain Solomon Islands credible standing with other MSG members.

### **Tertiary Scholarship**

The Committee heard of the arrangements for the funding of the students undertaking studies in medicine in Cuba. The Ministry of Health and Medical Services is responsible for their allowances while the Ministry of Education and Human Resources Development is responsible for their travel costs to and from Cuba. This inter-ministries cost sharing arrangement is sound provided each Ministry understands well her specific area of responsibility.

Under Health Services Support Program with the Ministry of Health and Medical Services two scholarships were approved, a senior accountant to undertake Bachelor of Accountancy and a senior nurse to undertake midwifery studies both in Australia. Both studies are essential for the improvement of the Ministry's operations, especially to meet requirements under the Millennium Development Goals.

The Committee raised a general concern with the Ministry to establish proper policies and to improve the scheme of service that would retain, especially well trained doctors.

### **Improved Health Services**

The Committee is concerned about the improvement of health services delivery to all provinces and in terms of equipments for use especially at the National Referral Hospital. The Committee heard that the Ministry of Health and Medical Services has developed an existing plan which caters for National Referral Hospital, General Hospital for the Provinces and Honiara and Area Health Centre Level 2 in the rural areas. Each Area Health Centre Level 2 would become a medical supplies storage and distribution centre for the clinics in the respective area.

Seventeen telecommunication sites are identified especially for reporting to the Ministry. South Pacific Commission is helping to get the licenses to operate

them. Asian Development Bank is willing to assist financially. To have these infrastructures in place is important to generate and improve accessibility to medical information around the country. The Committee reiterated the need to improve the Health Information System (HIS) data base at the National Referral Hospital. This arrangement would provide capacity for expansion to accommodate the high expected returning doctors from Cuba.

In terms of the need, especially with the National Referral Hospital to have proper medical equipment, The Committee was assured of an Equipment Committee already established to look into this most important need.

### **Improved Land Registration**

The Committee was pleased to hear of the improved land registration programs with the Ministry of Lands, Housing and Survey (MLHS). The report on all lands owned by the government is about to be completed for delivery to the government before the end of the year. The documentation of all the lands outside Honiara boundary is progressing well. A firm is contracted on a project to survey and register all Temporary Occupant Licence (“TOL”) properties in and around Honiara that will eventually enable all TOL holders to free title land ownership to their current occupied lands. Three TOL sites around Honiara are identified and already in progress to develop as pilot project sites.

The MLHS has assisted with the land registration for important projects such as the resettlement of land owners from the Gold Ridge lease mining areas, the re-opening of a number of airstrips in the country.

### **Improved Discipline Measures**

The Committee heard with encouragement the strong measures Ministry of Lands, Housing and Survey plans to undertake in consultation with the Attorney Generals Chambers to forfeit land entitlement under land rent payment default and lack of development of allocated land after 18 months. Strong measures are currently taken to improve revenue collection. Two officers are recruited to collect outstanding land rents. MLHS has already achieved 95% revenue collection of the budgeted revenue for 2012.

In terms of the officer's misconduct in office, five officers have been terminated with the sixth on suspension. Heads of departments have been urged to improve and live up to the trust expected of them. The Ministry has demonstrated strong position not to entertain corrupt behaviours and practices.

### **Festival of Pacific Arts**

The Committee acknowledged and congratulated the PS and staff of Ministry of Culture and Tourism Industry (MCTI), especially the Chair Lady for the great success of the Festival of Pacific Arts (FOPA). Besides the \$35.0 million Contingency Warrants (\$15.0 million current and \$20.0 million Development) already used for the FOPA events, MCTI is seeking another additional \$14.5 million under recurrent supplementary budget for use to the end of the year.

The Committee enquired why such a huge supplementary budget would be required after the FOPA is already past. The huge request is to meet more than 100 contracts still outstanding for settlement. It was admitted that many uninvited participants and relatives who attended the FOPA could not be turned away. Additional satellite venues not originally budgeted for were included. Many FOPA huts constructed in the FOPA Villages range between \$10,000 to \$200,000 per hut. The Committee had been placed under enormous pressure to ensure the biggest cultural event hosted by the country was a success. Huts could not be sold for more than \$5,000 at the auction sales. Negotiation continues with SICHE administration to retain the Solomon Islands village as country's the cultural village.

The Committee requested submission of details of contracts awarded by FOPA for the Committee's records.

The Committee was assured that the FOPA accounts are currently being audited by the Office of the Auditor General for assurance of proper accountability and transparency.

### **Giant African Snails**

The Committee was informed that the giant African snail has spread throughout the country beyond the level of eradication. It is posing serious threat to food security and livelihood in terms of the country's strong dependency on agriculture. Ministry of Agriculture and Livestock Development (MALD) has changed policy from one of eradication to control and containment of the spread. Not only does Solomon Islands need to improve the quarantine at the international sea ports and airports but there is also the challenge for inter-islands quarantine to stop spread of the giant African snails to other islands.

Historically, the underfunding of the project of fighting the spread of the giant African snail gave way to the current high rate of spread of the invasive species. The need for a national strategy and corporation to fight the spread of the giant African snail is real.

The Committee was assured that the Ministry is strengthening her quarantine laws with a draft revised quarantine Bill now with the Attorney General's Chamber for vetting.

### **Cabinet involvement in Cocoa Projects funding**

Agriculture is the main stay of livelihood for the country. The Committee is concerned with how agriculture projects are subjected to MP's direct involvement and approval. While funds may be used for agriculture projects the expertise and knowledge to guide effective decisions on the best agriculture projects must rest with the expert agriculture officers in the Ministry of Agriculture and Livestock Development ("MALD"). The Committee is informed that MALD was engaged with Cabinet when the diversion of agricultural projects to be subject to MP's discretion was reached.

### **Henderson Airport Maintenance Contracts**

The Committee is concerned about the huge additional \$9.3 million recurrent supplementary budget presented by the Ministry of Communication and Aviation ("MCA"). Concerns were raised over the huge increase in electricity of \$5.2 million in the supplementary budget from \$1.1 million in the original

budget. The Committee raised concerns over the apparent loose conduct of aviation contracts. The Committee was particularly dissatisfied with the lack of documentation for the presentation of the MCA cases for justification before the Committee. Thus details and copies of the various aviation maintenance contracts were requested for submission to the Committee.

### **Aviation fire trucks**

The Committee questioned the huge development supplementary budget of \$4.5 million for the acquisition of a fire truck ordered from Switzerland.

The Committee was informed that MCA would need to have her own fleet of fire trucks. The particular fire truck ordered from Switzerland is a state of the art designed fire truck. An initial payment of \$2.0 million was already incurred on it and MCA believes it is a sound investment to use this particular fire truck at Henderson Airport when it finally arrives. The two fire trucks currently used at Henderson are planned to be transferred Munda international airport when it is completed.

### **Airspace Traffic Control**

The Committee is please with the current training of staff of MCA for the ultimate control of the Solomon Islands airspace under a signed agreement with Fiji Civil Aviation Authority. Eleven staff are currently undergoing training in Fiji with the Fiji Civil Aviation Authority.

### **Recommendation**

- **The Committee recommends that The Ministry of Finance and Treasury must undertake proper consultations with line Ministries during planning and budgetary process to ensure that operational costs are factored in the Appropriation Bill to reflect Ministries expenditures for the year.**
- **The Committee recommends that the Ministry of Finance and Treasury must consult with line Ministries to factor in realised budget costs relating**

to utilities and telephone and Faxes to avoid seeking supplement for those operational costs.

- The Committee recommends that the Ministry of Lands, Housing and Survey consult with Ministries who are occupying rented properties to identify and secure land in Honiara for the constructions of their offices.
- The Committee recommends that the Ministry of Public Service, Ministry of Land, Housing and Survey issue eviction notices to unauthorised persons who occupied Governments quarters but are not entitled to Government Housing. The responsible Authorities must take strong actions to evict unauthorised occupants to save costs on rents and to create space for accommodation of government officers who are entitled for accommodations.
- The Committee recommends that the Ministry of Health and Medical Services establish proper policies and to improve the scheme of service that would retain, especially well trained doctors.
- The Committee recommends that the Ministry of Culture and Tourism submit the details of contracts awarded by FOPA for the Committee's records and that an Audit Report by the Office of the Auditor General be submitted to Parliament at the earliest convenience.

#### **4.4 Error in the Bill**

During the Hearing the Committee noted that there were errors in the Bill which require correction. On *page 5* of the Bill, the Committee noted that figures in the Schedule of the Bill for the Ministry of Mines and Energy, Ministry of Environment, Climate Change, Disaster Management and Meteorology and the Ministry of Aviation and Communication do not correlate with the figures under their descriptions for Head 295, Head 299 and Head 289 on page 11.

The Committee is of the view the information brought before Parliament must be clear, accurate and must be reflective of the actual expenditure incurred.

#### **Recommendation**

**The Committee therefore recommends that appropriated amendments be made to the Bill to rectify the error identified in the bill.**

## 5. Recommendations

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Upon completion of the hearing into the 2012 Supplementary Appropriation Bill 2012, the Committee recommends that:

### **Contingency Warrant**

- The Committee is of the view that the Minister must make it clear to Permanent Secretaries that Contingency Warrants will not be approved without appropriate and convincing justification of how the request complies with the requirements of Section 103(2) of the Constitution and Section 15 of the Public Finance and Audit Act, and so recommends.
- The Committee is also of the view that the Ministry of Finance and Treasury must consider and endorse the submissions of Ministries for the continuation of vital services to avoid the use of Contingency Warrants in foreseeable circumstances, and so recommends.
- The Committee recommends that the Ministry of Culture and Tourism produces the requested documents relating to their Allocations under the Bill not later than 8:30am on Tuesday, 18 September 2012.

### **Advance Warrant**

- The Committee recommends that despite the Accountable Cash Grant arrangement that the Government have with the Donors, Fund under the Non Appropriated Funds should be treated as Grants and that advances should not be made against them.
- The Committee recommends that the Ministry of Finance provide the Committee with a progressive report on the repayment options of all the Advance Warrants within the 90 days of this Report being tabled.



### **Additional Supplementary Expenditures**

- The Committee recommends that The Ministry of Finance and Treasury must undertake proper consultations with line Ministries during planning and budgetary process to ensure that operational costs are factored in the Appropriation Bill to reflect Ministries expenditures for the year.
- The Committee recommends that the Ministry of Finance and Treasury must consult with line Ministries to factor in realised budget costs relating to utilities and telephone and Faxes to avoid seeking supplement for those operational costs.
- The Committee recommends that the Ministry of Lands, Housing and Survey consult with Ministries who are occupying rented properties to identify and secure land in Honiara for the constructions of their offices.
- The Committee recommends that the Ministry of Public Service, Ministry of Land, Housing and Survey issue eviction notices to unauthorised persons who occupied Governments quarters but are not entitled to Government Housing. The responsible Authorities must take strong actions to evict unauthorised occupants to safe costs on rents and to create space for accommodation of government officers who are entitled for accommodations.
- The Committee recommends that the Ministry of Health and Medical Services establish proper policies and to improve the scheme of service that would retain, especially well trained doctors.
- The Committee recommends that the Ministry of Culture and Tourism submit the details of contracts awarded by FOPA for the Committee's records and that an Audit Report by the Office of the Auditor General be submitted to Parliament at the earliest convenience.

### **Error in the Bill**

- The Committee recommends that appropriate amendments be made to the Bill to rectify the errors identified in the Bill.

A handwritten signature in black ink, appearing to be 'Douglas Ete', with several horizontal lines drawn through it.

**Hon. Douglas Ete**

Chairman

Public Accounts Committee

18 September 2012

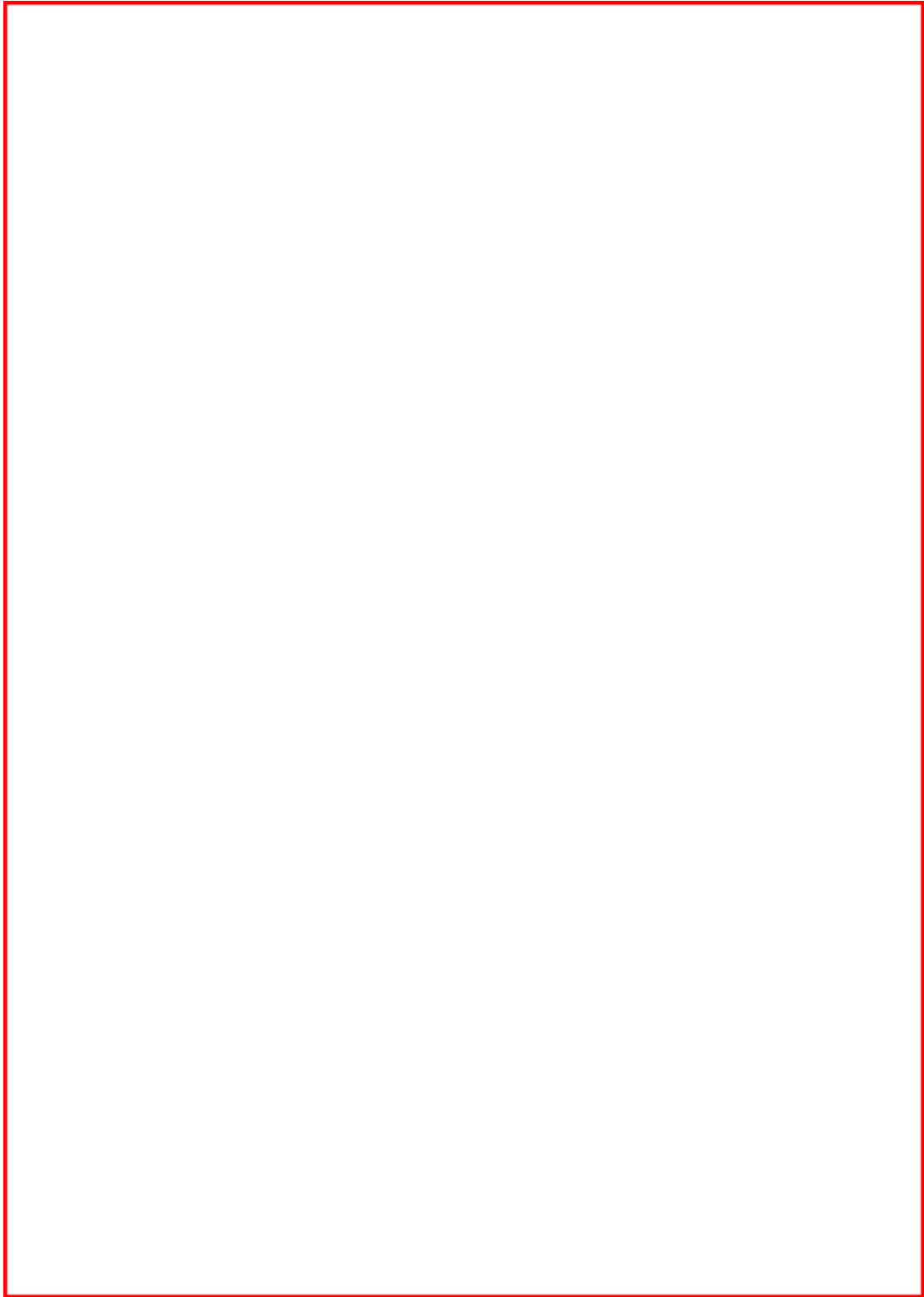
## 6. Appendices

### Appendix 1: 2012 Supplementary Appropriation 2012

1



**2012 SUPPLEMENTARY  
APPROPRIATION BILL 2012  
(NO. 4 OF 2012)**





**2012 SUPPLEMENTARY APPROPRIATION BILL 2012**

**(NO. 4 OF 2012)**

**A**

**BILL**

**Entitled**

**AN ACT TO APPROPRIATE ADDITIONAL TWO HUNDRED AND FORTY SEVEN MILLION, ONE HUNDRED AND TWO THOUSAND, SEVEN HUNDRED AND EIGHTY TWO DOLLARS, TO THE SERVICE OF THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2012.**

**ENACTED** by the National Parliament of Solomon Islands.

## 2012 SUPPLEMENTARY APPROPRIATION BILL 2012

## Short title and commencement

1. This Act may be cited as the 2012 Supplementary Appropriation Act 2012 and commences on the date ("commencement date") of assent.

## Authorisation and appropriation of \$147,102,782

2. (1) The issue from the Consolidated Fund is hereby authorised of a sum of two hundred and forty seven million, one hundred and two thousand, seven hundred and eighty two dollars, to be applied to the service of the year ending 31<sup>st</sup> December 2012.

(2) The sum specified in subsection (1) shall be deemed to have been appropriated as from the commencement date for the supply of the heads and in the amounts respectively specified for such heads, as set out in the Schedule.

## Contingencies warrants

3. The Minister may, from the commencement date until 31<sup>st</sup> December 2012, and pursuant to section 15 of the Public Finance and Audit Act (Cap.120) –

- (a) for the Heads of Recurrent Expenditure, authorise under contingencies warrants such sums not exceeding fifteen million dollars; and
- (b) for the Heads of Development Expenditure, authorise under contingencies warrants such sums not exceeding five million dollars.

## Overdrafts and advances

4. The Government may, at any time or times not later than the 31<sup>st</sup> December 2012, borrow by way of overdraft and advances within or outside Solomon Islands, any sum not exceeding in the whole one hundred and fifty million dollars on such terms and conditions as the Minister may approve.

**SCHEDULE**

(section 2(2))

**EXPENDITURE BY CONTINGENCIES WARRANTS****RECURRENT EXPENDITURE**

<b>HEAD</b>		<b>EXPENDITURE AUTHORISED</b>
274	MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE	2,400,000
281	OFFICE OF THE PRIME MINISTER AND CABINET	3,700,000
287	MINISTRY OF CULTURE AND TOURISM	15,000,000
289	MINISTRY OF COMMUNICATION AND AVIATION	425,630
295	MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION	500,000
299	MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY	1,240,000
	<b>TOTAL RECURRENT EXPENDITURE</b>	<b>23,265,630</b>

6

**DEVELOPMENT EXPENDITURE**

<b>HEAD</b>		<b>EXPENDITURE AUTHORISED</b>
487	MINISTRY OF CULTURE AND TOURISM	20,000,000
	<b>TOTAL DEVELOPMENT EXPENDITURE</b>	<b>20,000,000</b>

**TOTAL RECURRENT AND DEVELOPMENT EXPENDITURE BY**

**CONTINGENCIES WARRANTS** **\$43,265,630**



**SECTION 13 PUBLIC FINANCE AND AUDIT ACT – ADVANCE  
WARRANT EXPENDITURES**

**Note: Advances under Section 13 of the Public Finance and Audit Act  
must be repaid to the Consolidated Fund by 31<sup>st</sup> December 2013.**

HEAD		EXPENDITURE AUTHORISED
273	MINISTRY OF FINANCE AND TREASURY <i>Repaid in 2012</i>	12,868,513
274	MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE <i>Repaid in 2012</i>	2,283,621
276	MINISTRY OF HEALTH AND MEDICAL SERVICES <i>Repaid in 2012</i>	19,343,125
283	MINISTRY OF POLICE, NATIONAL SECURITY AND CORRECTIONAL SERVICES <i>Repaid in 2012</i>	11,221,600
284	MINISTRY OF PROVINCIAL GOVERNMENT AND INSTITUTIONAL STRENGTHENING <i>Repaid in 2012</i>	73,942
290	MINISTRY OF FISHERIES AND MARINE RESOURCES <i>Repaid in 2012</i>	9,197,356
	<b>TOTAL ADVANCE WARRANTS</b>	<b>54,988,157</b>

**ADDITIONAL RECURRENT SUPPLEMENTARY EXPENDITURES**

270	MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT	1,822,610
271	OFFICE OF THE AUDITOR GENERAL	1,691,060
272	MINISTRY OF EDUCATION AND HUMAN RESOURCES DEVELOPMENT	45,175,000

273	MINISTRY OF FINANCE AND TREASURY	19,603,991
274	MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE	3,374,630
275	OFFICE OF THE GOVERNOR-GENERAL	642,462
276	MINISTRY OF HEALTH AND MEDICAL SERVICES	14,587,000
277	MINISTRY OF INFRASTRUCTURE DEVELOPMENT	170,000
279	NATIONAL PARLIAMENT	4,584,641
280	MINISTRY OF FORESTRY AND RESEARCH	295,519
281	OFFICE OF THE PRIME MINISTER AND CABINET	4,719,300
283	MINISTRY OF POLICE, NATIONAL SECURITY AND CORRECTIONAL SERVICES	5,337,330
285	MINISTRY OF LANDS, HOUSING AND SURVEY	7,100,000
287	MINISTRY OF CULTURE AND TOURISM INDUSTRY	15,239,450
288	MINISTRY OF COMMERCE, INDUSTRY, LABOUR AND IMMIGRATION	425,000
289	MINISTRY OF COMMUNICATION AND AVIATION	9,284,000
290	MINISTRY OF FISHERIES AND MARINE RESOURCES	1,006,000
291	MINISTRY OF PUBLIC SERVICE	604,000

293	MINISTRY OF HOME AFFAIRS	466,000
295	MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION	922,802
296	NATIONAL JUDICIARY	800,000
299	MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND METEOROLOGY	5,978,000
	<b>TOTAL RECURRENT SUPPLEMENTARY EXPENDITURES</b>	<b>143,848,995</b>

**ADDITIONAL DEVELOPMENT SUPPLEMENTARY EXPENDITURES**

470	MINISTRY OF AGRICULTURE AND LIVESTOCK	500,000
489	MINISTRY OF COMMUNICATION AND AVIATION	4,500,000
	<b>TOTAL DEVELOPMENT SUPPLEMENTARY EXPENDITURES</b>	<b>5,000,000</b>

TOTAL RECURRENT AND DEVELOPMENT EXPENDITURE BY CONTINGENCIES **AND** ADVANCE WARRANTS AND SUPPLEMENTARY EXPENDITURE PRESSURES \$247,102,782

**CONTINGENCY WARRANTS - RECURRENT  
ESTIMATES**

**HEAD: 274      MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL  
TRADE**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$2,400,000.

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0120:4202	High Commission - Canberra	2,688,668	2,400,000	5,088,668
<b>Total</b>		<b>2,688,668</b>	<b>2,400,000</b>	<b>5,088,668</b>

**Explanatory Notes**

This amount provides for additional funds to meet outstanding bills for the construction of the Canberra Chancellery.

**HEAD: 281      OFFICE OF THE PRIME MINISTER AND CABINET**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$3,700,000.

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0071:2010	Office Expenses	23,412	700,000	723,412
0071:6305	Commissioner of Police	20,941	3,000,000	3,020,941
<b>Total</b>		<b>44,353</b>	<b>3,700,000</b>	<b>3,744,353</b>

**Explanatory Notes**

This amount provides for additional funds to cover cost of funeral expenses for late Sir Moses Pizlak and late Hon Fred Fozo and the remuneration for new Commissioner of Police.

**HEAD: 287 MINISTRY OF CULTURE AND TOURISM**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$15,000,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0602:6164	Festival of Pacific Arts	48,805,500	15,000,000	63,805,500
<b>Total</b>		<b>48,805,500</b>	<b>15,000,000</b>	<b>63,805,500</b>

**Explanatory Notes**

This amount provides for additional funds for the 11<sup>th</sup> Festival of Pacific Arts.

**HEAD: 289 MINISTRY OF COMMUNICATION AND AVIATION**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$1,240,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0511:6121	Henderson Operation costs	2,414,029	1,240,000	3,654,029
<b>Total</b>		<b>2,414,029</b>	<b>1,240,000</b>	<b>3,654,029</b>

**Explanatory Notes**

This amount provides for additional funds to cover Henderson Airport operational costs.

**HEAD: 295 MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$425,630.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0279:6067	Mines Running Costs	951,380	425,630	1,377,010
<b>Total</b>		<b>951,380</b>	<b>425,630</b>	<b>1,377,010</b>

Explanatory Notes

This amount provides for Consultancy Fees relating to an Independent Investigation and Gold Recovery Variances at GRML.

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

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$500,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0300:4090	Regional Disaster Relief	2,067,426	500,000	2,567,426
<b>Total</b>		<b>2,067,426</b>	<b>500,000</b>	<b>2,567,426</b>

Explanatory Notes

This amount provides for additional funding for SIG assistance to Fiji Flood victims.

**CONTINGENCY WARRANTS - DEVELOPMENT  
ESTIMATES**

**HEAD: 487      MINISTRY OF CULTURE AND TOURISM**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$20,000,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
4726:3799	Festival of Pacific Arts Preparations	30,000,000	20,000,000	50,000,000
<b>Total</b>		<b>30,000,000</b>	<b>20,000,000</b>	<b>50,000,000</b>

Explanatory Notes

This amount provides for additional funds for the 11<sup>th</sup> Festival of Pacific Arts.

### Section 13 ADVANCE WARRANTS

#### HEAD 273: MINISTRY OF FINANCE AND TREASURY

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$12,868,513.

Subhead/item	Descriptions	Original Estimates	Supplementary Estimates	Revised Estimates
0423:2308	JCT –Special Applications support and maintenance	200,000	1,388,400	1,588,400
0427:2301	IT – Replacement Hardware	753,044	171,600	924,644
0426:4001	Training General	143,846	390,000	533,846
0421:6106	Statistical Survey	160,000	10,918,513	11,078,513
<b>Total</b>		<b>1,256,890</b>	<b>12,868,513</b>	<b>14,125,403</b>

#### Explanatory Notes

Accountable Cash Grant (ACG) provided by RAMSI for the Budget system upgrade, purchase of IT equipment, Accounting and FMIS training for FMSS in MOFT and the Household Income and Expenditure Survey (HIES).

#### HEAD 274: MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$2,283,621.

Subhead/item	Description:	Original Estimates	Supplementary Estimates	Revised Estimates
0131:1010	Civil Service salaries	317,440	1,159,762	1,477,202
0131:6011	Trade Travel and Missions	1,200,226	136,892	1,337,118
0131:4001	Training - General	0	528,747	528,747
0131:2191	Capital Exp- office equipment	0	182,854	182,854
0131:6132	Audit Fees	0	37,147	37,147
0131:2017	Printing	73,497	72,511	146,008
0131:2010	Office Expense	70,350	165,708	236,058
<b>Total</b>		<b>1,661,513</b>	<b>2,283,621</b>	<b>3,945,134</b>

**Explanatory Note:**

Accountable Cash Grant (ACG) provided by the Enhanced Integrated Framework work in WTO-Geneva through United Nations Office for Project Services (UNOPS) to implement a number of trade related projects in Solomon Islands within the Ministry. Funding is provided to cater for travel, trainings, IT equipment, printing, office stationeries and Audit fees.

**HEAD 276: MINISTRY OF HEALTH AND MEDICAL SERVICES**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: **\$19,343,125.**

Subhead/item	Description:	Original Estimates	Supplementary Estimates	Revised Estimates
0001:3269	Consultant Fees - Local	0	500,000	500,000
0001:4008	Tertiary Scholarships	0	982,158	982,158
0002:3268	Consultant Fees - International	0	3,506,000	3,506,000
0002:3269	Consultant Fees - Local	0	824,850	824,850
0380:1020	Wages	0	241,173	241,173
0380:2017	Printing	0	108,390	108,390
0380:2018	Publicity and Promotion	0	319,870	319,870



0380:2010	Office Expenses	50,000	92,012	142,012
0380:2301	IT Replacement	0	52,042	52,042
0380:3024	Drugs and Dressings	0	130,044	130,044
0380:2071	Tours and Travel	100,000	67,993	167,993
0380:4001	Training-General	150,000	657,743	807,743
0380:3220	Materials and Equipment	96,818	353,724	450,542
0381:2001	Upkeep and Repair of official Buildings	96,598	250,000	346,598
0381:2017	Printing	100,000	1,000,000	1,100,000
0381:2018	Publicity and Promotion	790,000	240,000	1,030,000
0381:2071	Tours and Travel	42,000	160,000	202,000
0381:4001	Training-General	300,000	2,954,400	3,254,400
0385:1010	Civil Service salaries	0	50,000	50,000
0385:2001	Upkeep and Repair of official Buildings	14,550,000	600,000	15,150,000
0385:2010	Office Expenses	100,000	300,000	400,000
0385:2017	Printing	0	300,000	300,000
0385:2018	Publicity and Promotion	0	105,000	105,000
0385:2050	Fuel	0	70,000	70,000
0385:2071	Tours and Travel	150,000	565,000	715,000
0385:2302	IT Repairs and Maintenance	0	2,465,000	2,465,000
0385:3100	House Rental	900,000	480,000	1,380,000
0385:4001	Training-General	200,000	50,000	250,000

0385:4030	Conferences and Seminars	165,547	700,000	865,547
0394:2071	Tours and Travel	0	45,000	45,000
0394:3220	Materials and Equipment	0	108,230	108,230
0394:4001	Training-General	0	64,496	64,496
0395:2018	Publicity and Promotion	1,424,533	1,000,000	2,424,533
<b>Total</b>		<b>19,215,496</b>	<b>19,343,125</b>	<b>38,558,621</b>

Explanatory Notes:

Budget support funding provided by Australia and SPC for Health Sector Support Program (HSSP) to supplement efforts by SIG to operate, maintain and deliver health services throughout the country.

**HEAD 283: MINISTRY OF POLICE AND CORRECTIONAL SERVICES**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$11,221,600.

Subhead/Item	Description:	Original Estimates	Supplementary Estimates	Revised Estimates
0479:3010	Motor Vehicle	0	3,830,000	3,830,000
0479:3233	Purchase of OBMs/Canoes/Boats	0	621,600	621,600
0479:1172	Retirement Benefits	0	6,750,000	6,750,000
<b>Total</b>		<b>0</b>	<b>11,221,600</b>	<b>11,221,600</b>

Explanatory Notes:

Funding provided by RAMSI (Australian Federal Police) to cater for purchase of police vehicles, boats, obms, safety equipment and voluntary early retirement of police officers.

**HEAD 284: MINISTRY OF PROVINCIAL GOVERNMENT AND INSTITUTIONAL STRENGTHENING**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$73,941.

Subhead/item	Descriptions	Original Estimates	Supplementary Estimates	Revised Estimates
0492:4001	Training General	205,464	73,942	279,406
Total		205,464	73,942	279,406

Explanatory Notes

Funding provided by Commonwealth Leadership Government Forum to cater for training to implement the Locally Elected Leadership roll out to the provinces.

**HEAD 290: MINISTRY OF FISHERIES AND MARINE RESOURCES**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$9,197,356.

Subhead/Item	Descriptions	Original Estimates	Supplementary Estimates	Revised Estimates
0300:1010	Civil Service salaries	941,447	73,838	1,016,305
0300:3100	House Rent	1,163,886	45,000	1,208,886
0300:2010	Office Expenses	63,428	66,000	129,428
0300:3220	Materials and Equipment	18,950	18,000	36,950
0300:2152	Maintenance – office equipment	24,875	12,000	36,875
0300:2150	Maintenance of vehicles	34,933	16,000	50,933
0300:2017	Printing	25,259	12,000	37,259
0300:2050	Fuel	40,777	47,600	88,377
0300:2070	Staff Travel	54,891	40,000	94,891
0300:2092	Overseas Travel – PS	163,957	150,000	313,957
0300:2013	Telephones	267,477	30,000	297,477
0300:4001	Training – General	18,120	5,180,000	5,198,120
0300:6106	Statistical Survey	0	497,338	497,338
0300:3062	Consultancy	0	1,644,000	1,644,000
0300:3350	Community based Adaptive Management	0	702,576	702,576
0300:3351	Fish Aggregate	0	662,964	662,964
<b>Total</b>		<b>2,819,000</b>	<b>9,197,356</b>	<b>12,016,356</b>

Explanatory Notes

Funding provided by NZ Aid Budget Support through Accountable Cash Grants to support the "Makeem Strong Solomon Islands Fisheries" (MSSIF) project.

**RECURRENT SUPPLEMENTARY ESTIMATES****HEAD: 270      MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$1,822,610.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0002:3104	Office rent	500,000	500,000	1,000,000
0002:4001	Training General	628,788	600,000	1,228,788
0002:2013	Telephone	778,680	259,315	1,037,995
0002:2011	Electricity	695,882	463,295	1,159,177
<b>Total</b>		<b>2,603,350</b>	<b>1,822,610</b>	<b>4,425,960</b>

Explanatory Notes

This amount provides for additional funds for various sub-heads indicated in the table above.

**HEAD: 271      OFFICE OF THE AUDITOR GENERAL**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$1,691,060.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0000:6132	Audit Fees	1,268,046	1,691,060	2,959,106
<b>Total</b>		<b>1,268,046</b>	<b>1,691,060</b>	<b>2,959,106</b>

Explanatory Notes

This amount provides for additional funds to outsource auditing of SOEs including CBSI, SINPF, SIEA, SIWA and SIPA.

**HEAD: 272      MINISTRY OF EDUCATION AND HUMAN  
RESOURCES DEVELOPMENT**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: **\$45,175,000.**

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0191:4008	Tertiary Scholarships	46,349,597	45,000,000	91,349,597
0001:2012	Water	36,524	175,000	211,524
<b>Total</b>		<b>46,386,121</b>	<b>45,175,000</b>	<b>91,561,121</b>

**Explanatory Notes**

This amount provides for additional funds to cater for increased tertiary scholarship awards.

**HEAD: 273      MINISTRY OF FINANCE AND TREASURY**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: **\$19,603,991.**

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0001:2012	Water	40,699	108,000	148,699
0422:4530	Trade Creditors	8,008,338	14,495,991	22,504,349
0422:6804	SOE Debt Assistance	10,815,000	5,000,000	15,815,000
<b>Total</b>		<b>18,864,057</b>	<b>19,603,991</b>	<b>38,468,048</b>

**Explanatory Notes**

This amount provides for additional funds to cover water, Court Orders for Aerolift and Marine Exports; Stabex refunds and SOE community service obligations.

**HEAD: 274      MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL  
TRADE**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: **\$3,374,630.**

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0003:3104	Office Rent	973,330	930,000	1,923,330
0003:2013	Telephones	312,907	98,525	411,432

0003:2011	Electricity	117,874	470,105	587,979
0120:6205	MSG Secretariat	0	1,856,000	1,856,000
<b>Total</b>		<b>1,404,131</b>	<b>3,374,630</b>	<b>4,778,761</b>

Explanatory Notes

This amount provides for additional funds for office rent, utilities and SIG pledge to MSG Secretariat.

**HEAD: 275 OFFICE OF THE GOVERNOR-GENERAL**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$642,462.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0000:2024	Entertainment	176,236	200,000	376,236
0000:2090	Overseas Visits	756,392	300,000	1,056,392
0000:2011	Electricity	399,540	142,462	542,002
<b>Total</b>		<b>1,332,168</b>	<b>642,462</b>	<b>1,974,630</b>

Explanatory Notes

This amount provides for additional funds for entertainment, overseas visit and electricity cost for the rest of the year.

**HEAD: 276 MINISTRY OF HEALTH AND MEDICAL SERVICES**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$14,567,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0001:2011	Electricity	9,267,566	4,567,000	13,834,566
0389:3024	Drugs and Dressings	5,969,036	10,000,000	15,969,036
<b>Total</b>		<b>15,236,602</b>	<b>14,567,000</b>	<b>29,803,602</b>

Explanatory Notes

This amount provides for additional funds to cater for electricity and drugs.

**HEAD: 277      MINISTRY OF INFRASTRUCTURE DEVELOPMENT**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$170,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0002:2011	Electricity	1,536,605	170,000	1,706,605
<b>Total</b>		<b>1,536,605</b>	<b>170,000</b>	<b>1,706,605</b>

**Explanatory Notes**

This amount provides for additional funds to cover electricity cost for the rest of the year.

**HEAD: 279      NATIONAL PARLIAMENT**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$4,584,641.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0001:6008	Parliamentary Session and Committee Expense	214,939	1,400,000	1,614,939
0001:2011	Electricity	3,224,632	1,930,632	5,155,264
0094:1030	Members salaries	5,992,816	594,574	6,587,390
0094:2106	Members allowances	2,696,614	659,435	3,356,049
<b>Total</b>		<b>12,129,001</b>	<b>4,584,641</b>	<b>16,713,642</b>

**Explanatory Notes**

This amount provides for additional funds to cover electricity and estimates cost for the work of the Parliament Education Committee.

**HEAD: 280      MINISTRY OF FORESTRY AND RESEARCH**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$295,519.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0002:2011	Electricity	734,645	295,519	1,030,164
<b>Total</b>		<b>734,645</b>	<b>295,519</b>	<b>1,030,164</b>



Explanatory Notes

This amount provides for additional funds to cover electricity costs for the rest of the year.

**HEAD: 281 OFFICE OF THE PRIME MINISTER AND CABINET**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$4,719,300.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0061:6005	Constitutional Reform-SG Task Force	6,429,006	324,300	6,753,306
0061:2091	Oversens travel - MPs	5,902,871	1,000,000	6,902,871
0061:2013	Telephone and Faxes	1,337,224	2,874,000	4,211,224
0061:2011	Electricity and Gas	649,251	400,000	1,049,251
0061:2012	Water	54,548	121,000	175,548
<b>Total</b>		<b>14,372,900</b>	<b>4,719,300</b>	<b>19,092,200</b>

Explanatory Notes

This amount provides for additional funds for various heads as indicated in the table above.

**HEAD: 283 MINISTRY OF POLICE, NATIONAL SECURITY AND CORRECTIONAL SERVICES**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$5,357,530.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0001:2013	Telephone and Faxes	153,074	167,530	320,604
0001:2011	Electricity and Gas	73,079	3,300,000	3,373,079
0001:2012	Water	100,000	1,890,000	1,990,000
<b>Total</b>		<b>326,153</b>	<b>5,357,530</b>	<b>5,683,683</b>

Explanatory Notes

This amount provides for additional funds for utilities for the remaining part of the year.

**HEAD: 285      MINISTRY OF LANDS, HOUSING AND SURVEY**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$7,100,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0334:6089	Land Acquisition	3,397,778	7,000,000	10,397,778
0003:2011	Electricity and Gas	1,375,077	100,000	1,475,077
<b>Total</b>		<b>4,972,855</b>	<b>7,100,000</b>	<b>12,072,855</b>

Explanatory Notes

This amount provides for additional funds for land acquisition for Koku land and Ziam water and Kongulai water source arrears.

**HEAD: 287      MINISTRY OF CULTURE AND TOURISM**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$15,259,450.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0602: 6164	Festival of Pacific Arts	48,805,500	14,500,000	63,305,500
0004:2013	Telephone and Faxes	973,050	177,000	1,150,050
0004:3100	House rent	1,035,979	300,000	1,335,979
0004:3104	Office rent	420,000	90,000	510,000
0004:3150	Office security	457,225	192,450	649,675
<b>Total</b>		<b>51,691,754</b>	<b>15,259,450</b>	<b>66,951,204</b>

Explanatory Notes

This amount provides for additional funds to cover outstanding bills relating to the Festival of Pacific Arts and to cover estimated costs for telephone, house rent, office rent and office security for the rest of the year.

**HEAD: 288** MINISTRY OF COMMERCE, INDUSTRY, LABOUR  
AND IMMIGRATION

Estimates of the amount further required in the year ending 31<sup>st</sup> December  
2012 for the services of this head: \$425,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0002:2011	Electricity and Gas	613,105	425,000	1,038,105
<b>Total</b>		<b>613,105</b>	<b>425,000</b>	<b>1,038,105</b>

**Explanatory Notes**

This amount provides for additional funding for electricity and gas for the rest of the year.

**HEAD: 289** MINISTRY OF COMMUNICATION AND  
AVIATION

Estimates of the amount further required in the year ending 31<sup>st</sup> December  
2012 for the services of this head: \$9,284,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0511:6121	Henderson Operating Costs	2,414,029	2,010,000	4,424,029
0511:2050	Fuel	314,586	200,000	514,586
0511:4004	Training-Local in-service	957,571	500,000	1,457,571
0003:2013	Telephone and Faxes	718,360	1,374,000	2,092,360
0003:2011	Electricity and Gas	1,117,062	5,200,000	6,317,062
<b>Total</b>		<b>5,521,608</b>	<b>9,284,000</b>	<b>14,805,608</b>

**Explanatory Notes**

This amount provides for additional funds to cover various heads as indicated in the table above.

**HEAD: 290** MINISTRY OF FISHERIES AND MARINE  
RESOURCES

Estimates of the amount further required in the year ending 31<sup>st</sup> December  
2012 for the services of this head: \$1,006,000.

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0003:2091	Overseas Travel-MP's	90,495	350,000	440,495
0003:2092	Overseas Travel-Public Servants	163,937	500,000	663,937
0003:2013	Telephone and Faxes	267,477	156,000	423,477
<b>Total</b>		<b>521,929</b>	<b>1,006,000</b>	<b>1,527,929</b>

Explanatory Notes

This amount provides for additional funds to cover various heads as indicated in the table above.

**HEAD: 291      MINISTRY OF PUBLIC SERVICE**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$604,000.

Subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0060:2011	Electricity and Faxes	87,733	604,000	691,733
<b>Total</b>		<b>87,733</b>	<b>604,000</b>	<b>691,733</b>

Explanatory Notes

This amount provides for additional funds for electricity charges.

**HEAD: 293      MINISTRY OF HOME AFFAIRS**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$466,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0002:2013	Telephone and Faxes	271,063	289,000	560,063
0002:2011	Electricity and Gas	361,094	177,000	538,094
<b>Total</b>		<b>632,159</b>	<b>466,000</b>	<b>1,098,159</b>

Explanatory Notes

This amount provides for additional funds for utilities costs for the remaining part of the year.

**HEAD: 295      MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$922,802.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0004:2070	Staff Travel and Transport (Local)	215,212	100,000	315,212
0004:2150	Maintenance of Vehicle	61,764	120,000	181,764
0004:3100	House Rent	1,644,331	150,000	1,794,331
0271:2050	Fuel	20,224	150,000	170,224
0274:2071	Tours and Travel	155,392	150,000	305,392
0279:2021	Board Expenses	48,045	252,802	300,847
<b>Total</b>		<b>2,144,968</b>	<b>922,802</b>	<b>3,067,770</b>

Explanatory Notes

This amount provides for additional funding for various heads as indicated in the table above.

**HEAD: 296      NATIONAL JUDICIARY**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$800,000.

Subhead item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0003:2011	Electricity and Gas	1,106,710	800,000	1,906,710
<b>Total</b>		<b>1,106,710</b>	<b>800,000</b>	<b>1,906,710</b>

Explanatory Notes

This amount provides for additional funds for electricity and gas for the rest of the year.

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

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$5,978,000.

Subhead item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
0300:4090	Regional Disaster Relief	2,067,426	3,500,000	7,567,426
0001:2011	Electricity and Gas	0	478,000	478,000
<b>Total</b>		<b>2,067,426</b>	<b>5,978,000</b>	<b>8,045,426</b>

Explanatory Notes

This amount provides for additional funds for disaster relief assistance, electricity and gas.

### DEVELOPMENT SUPPLEMENTARY ESTIMATES

**HEAD: 470      MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$500,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
4800:5799	Giant African Snail Eradication Program	1,000,000	500,000	1,500,000
<b>Total</b>		1,000,000	500,000	1,500,000

Explanatory Notes

This amount provides for additional funds for the Giant African Snail Eradication Program.

**HEAD 489:      MINISTRY OF COMMUNICATION AND AVIATION**

Estimates of the amount further required in the year ending 31<sup>st</sup> December 2012 for the services of this head: \$4,500,000.

Subhead/item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
4732:5799	Purchase new fire truck	2,000,000	4,500,000	6,500,000
<b>Total</b>		2,000,000	4,500,000	6,500,000

Explanatory Notes

This amount provides additional funding for the purchasing of a new fire truck for the Henderson International Airport.

**2012 SUPPLEMENTARY APPROPRIATION BILL 2012****Objects and Reasons**

The object of this Bill is to authorise supplementary expenditure of two hundred and forty seven million, one hundred and two thousand, seven hundred and eighty two dollars authorised under the 2012 Appropriation Act 2012 for the service of the year ending on the 31<sup>st</sup> day of December 2012.

This Supplementary Appropriation is to supplement expenditure incurred by the issue of contingencies warrants and advance warrants as well as insufficient funding allocation during the year in respect of the heads specified in the Schedule.

**RICK NELSON HOUENIPWELA  
MINISTER FOR FINANCE AND TREASURY**



# Appendix 2: Minutes of Proceedings

## Meeting No. 1

Tuesday 11<sup>th</sup> September 2012, Parliament House, 2:35 pm

### 1. **Members Present**

Hon. Douglas Ete (Chair) MP  
Hon. John Maneniaru, MP  
Hon. Peter Shanel, MP  
Hon. Stanley Sofu, MP

### **Absent**

Hon. Matthew Cooper Wale  
Hon. Martin Kealoe

### **Witnesses**

Mr. Shadrack Fanega, Permanent Secretary, Ministry of Finance & Treasury  
Mr. Norman Hiropuhi, Director – Public Expenditure, Ministry of Finance & Treasury

### **Secretariat**

Mr. Edward Ronia (Secretary to PAC) Auditor General  
Ms. Alice Willy, Committee Secretariat, Clerk to PAC  
Mr. Marson Lilopeza, Committee Secretariat

### 2. **Welcome**

Chairman welcomed the committee members and witnesses

Edward Ronia said the opening prayer

### 3. **Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The Permanent Secretary and his official of the Ministry of Finance & Treasury appeared before the Committee.

The chair explained the delay of the hearing due to late submission of the 2012 Supplementary Appropriation Bill 2012.

The Chair welcomed the Permanent Secretary to brief the committee on the Ministry's Supplement Budget for 2012.

The Committee questioned the PS and his Official.

Evidence concluded.

### 4. **Close**

Committee adjourns at 4:15pm.

## Meeting No. 2

Wednesday 12<sup>th</sup> September 2012, Parliament House, 9:48 am

### 1. **Members Present**

Hon. Douglas Ete (Chair) MP  
Hon. John Maneniaru, MP  
Hon. Peter Shanel, MP  
Hon. Stanley Sofu, MP

### **Absent**

Hon. Matthew Cooper Wale  
Hon. Martin Kealoe

### **Secretariat**

Mr. Edward Ronia (Secretary to PAC), Auditor General  
Ms. Alice Willy, Committee Secretariat, Clerk to PAC  
Ms. Natalina Hong, Committee Secretariat, Clerk to PAC  
Mr. Marson Lilopeza, Committee Secretariat

### **A. Office of the Prime Minister and Cabinet (OPM & C)**

#### **Witnesses**

Mr. James Remobatu, Secretary to Cabinet (STC) – OPM&C  
Ronald Unisi, Permanent Secretary (PS) – Constitutional Reform Unit (OPM&C)  
Pellion Buare, Finance Controller (FC) – OPM&C  
Luke Cheka, Human Resources Manager (HRM) – OPM&C

### 2. **Welcome**

Chairman welcomed the Committee members and witnesses.

Hon. John Maneniaru, MP, said the opening prayer

### 3. **Inquiry into the 2012 Supplementary Appropriation Bill 2012**

Secretary to the Cabinet (STC) on behalf of Secretary to the Prime Minister (SPM) and his officials appeared before the Committee.

The chairman welcomed the STC and his officials to brief the Committee on the Office's Supplement Budget for 2012.

STC gave overview of the Office's Supplement Budget.

Committee questioned STC.

Evidence concluded.

**B. Ministry of Environment, Conservation, Climate Change, Disaster Management and Meteorology (MECDM)**

**Witnesses**

Mr. Chanel Iroi, supervising Permanent Secretary (PS) – MECDM  
Bobby Ramo, Finance Controller (FC) - MECDM

**4. Welcome:**

The chairman welcomed the witnesses.

**5. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The supervising Permanent Secretary (PS) and his official of the Ministry of Environment, Conservation, Climate Change, Disaster Management and Meteorology appeared before the Committee.

The chairman welcomed the supervising PS to brief the Committee on the Ministry's supplementary Budget.

The Committee questioned the supervising PS and his Official.

Evidence concluded.

**C. Ministry of Foreign Affairs and External Trade (MFET)**

**Witnesses**

Ms. Joy Kere, Permanent Secretary (PS) - MFET  
Mr. Henry Baero, Finance Controller (FC) - MFET  
George Tuti, Chief Trade Officer (CTO) - MFET

**6. Welcome**

The Chairman welcomed the witnesses.

**7. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and her officials appeared before the Committee.

The chairman welcomed the PS and her officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and her officials.

Evidence concluded.

**D. Ministry of Health & Medical Services (MHMS)**

**Witnesses**

Dr. Lester Ross, Permanent Secretary (PS) – MHMS  
Dr. Chris Becha, Under Secretary (US) Planning and Policy – MHMS  
Mr. Oswald Ramo, Under Secretary (US) Admin & Finance – MHMS  
Mr. Stephen K. Dalipanda, Finance Controller (FC) – MHMS

**8. Welcome**

The chairman welcomed the witnesses.

**9. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

**E. Ministry of Lands, Housing and Survey (MLHS)**

**Witnesses**

Mr. Stanley Wale, Permanent Secretary (PS) – MLHS

Mr. Silva Dunga, Commissioner of Lands (COL) – MLHS

Mr. Rowley Wanega, Director of Physical Planning (DPP) – MLHS

Ms. Selesa Alepio, Chief Accountant (CA) – MLHS

Jackson Saikoto, Survey General (SG) - MLHS

**10. Welcome**

The chairman welcomed the witnesses.

**11. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

**F. National Parliament**

**Witnesses**

Ms. Taeasi Sanga, Clerk to Parliament – National Parliament

Mr. Lloyd Bera, Finance Controller (FC) – National Parliament

**12. Welcome**

The chairman welcomed the witnesses.

**13. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The Clerk and her official appeared before the Committee.

The chairman welcomed the Clerk and her official to brief the Committee on the Parliament's supplementary budget.

The Committee questioned the Clerk and her official.

Evidence concluded.

**14. Close**

Committee adjourns at 4: 40pm.

**Meeting No. 3**

Thursday 13<sup>th</sup> September 2012, Parliament House, 9:45 am

**1. Members Present**

Hon. Douglas Ete (Chair) MP

Hon. John Maneniaru, MP

Hon. Peter Shanel, MP

Hon. Stanley Sofu, MP

**Absent**

Hon. Matthew Cooper Wale

Hon. Martin Kealoe

**Secretariat**

Mr. Edward Ronia (Secretary to PAC), Auditor General

Ms. Alice Willy, Committee Secretariat, Clerk to PAC

Ms. Emily Kupenga, Committee Secretariat, Clerk to PAC

Mr. Marson Lilopeza, Committee Secretariat

**G. Ministry of Culture and Tourism (MCT)**

**Witnesses**

Mr. John Wasi, Permanent Secretary (PS) - MCT

Mr. Moses Tepai, Under Secretary (US) - MCT

Mr. Rex Ngengele, Financial Controller (FC) - MCT

Ms. Doreen Kuper, Chairlady - FOPA

Mr. John Bakeua, Committee Chairman – FOPA

Mr. Frank Haikiu, Committee Chairman – FOPA

Mr. Placid Walekwate, Committee Chairman – FOPA

Mr. Henry Isa, Committee Chairman – FOPA

Mr. Denty Tuke, Committee Chairman – FOPA

Ms. Stella Luca, Committee Chairlady - FOPA

**2. Welcome**

Chairman welcomed the Committee members and witnesses.

Mr. Edward Ronia said the opening prayer.

**3. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's Supplement Budget for 2012.

PS gave overview of the Ministry's Supplement Budget.

Committee questioned PS.

Evidence concluded.

**H. Ministry of Agriculture & Livestock (MAL)**

**Witnesses**

Mr. Frank Wickham, Permanent Secretary (PS) – MAL

Mr. David Pattnorth, Under Secretary (US) – MAL

Mr. Francis Tsatsia, Director Agriculture Quarantine (AQ) – MAL

Mr. Michael Ho'ota, Director Agriculture Extension (AE) – MAL

Mr. Barney Kera, Director Livestock – MAL

Ms. Helen Tsatsia, Director Agriculture Research (AR) - MAL

**4. Welcome:**

The chairman welcomed the witnesses.

**5. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The Permanent Secretary (PS) and his officials appeared before the Committee.

The chairman welcomed the PS to brief the Committee on the Ministry's supplementary Budget.

The Committee questioned the PS and his Official.

Evidence concluded.

**I. Ministry of Communication & Aviation (MCA)**

**Witnesses**

Mr. Francis Lomo, Permanent Secretary (PS) - MCA

Mr. Sam Tarivasa, Finance Controller (FC) - MCA

Ms. Michelle Maelaua, Human Resources Manager (HRM) – MCA

Mr. Alfred Pita'a, Manager Air Traffic Services (MATS) - MCA

**6. Welcome**

The Chairman welcomed the witnesses.

**7. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

**J. Ministry of Police and National Security (MPNS) & Correctional Services Of Solomon Islands (CSSI)**

**Witnesses**

Mr. Edmond Sikua, Permanent Secretary (PS) – MPNS

Mr. Francis Haisoma, CSSI Commissioner – MPNS

Mr. Stephen Maesuta, Under Secretary (US) – MPNS & CSSI

Ms. Leah Alufo'oa, Director Finance – CSSI

Mr. Eric Notere, Advisor - CSSI

**8. Welcome**

The chairman welcomed the witnesses.

**9. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

**K. Ministry of Fisheries and Marine Resources (MFMR)**

**Witnesses**

Dr. Christian Ramofafia, Permanent Secretary (PS) – MFMR

Mr. Sylvester Diake, Under Secretary (US) – MFMR

Mr. Billy Toate, Financial Controller – MFMR

**10. Welcome**

The chairman welcomed the witnesses.

**11. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

#### **L. Ministry of Mines, Energy & Rural Electrification (MMERE)**

##### **Witnesses**

Mr. Rence Sore, Permanent Secretary (PS) – MMERE

Mr. Lionel Menimer, Finance Controller (FC) – MMERE

Mr. John Kori, Director Energy – MMERE

Mr. David Michael, Director Petroleum - MMERE

Ms. Lilian Danitofea, Senior Tenement Officer – MMERE

Mr. Michael Maehaka, Senior Hydrologist - MMERE

#### **12. Welcome**

The chairman welcomed the witnesses.

#### **13. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

#### **M. Ministry of Education and Human Resources Development (MEHRD)**

##### **Witnesses**

Dr. Fred Isom Rohorua, Permanent Secretary (PS) – MEHRD

Mr. Johnson Sokeni, Financial Controller (FC) – MEHRD

Mr. Selu Maezama, Director National Training Unit (NTU) – MEHRD

#### **14. Welcome**

The chairman welcomed the witnesses.

#### **15. Inquiry into the 2012 Supplementary Appropriation Bill 2012**

The PS and his officials appeared before the Committee.

The chairman welcomed the PS and his officials to brief the Committee on the Ministry's supplementary budget.

The Committee questioned the PS and his officials.

Evidence concluded.

Committee deliberated.

#### **16. Close**





## **PUBLIC ACCOUNTS COMMITTEE**

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### **NATIONAL PARLIAMENT OF SOLOMON ISLANDS**

#### **Minutes of Proceedings**

#### **Meeting No. 4**

Monday 17<sup>th</sup> September 2012, Parliament House, 3:35 pm

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

Hon. Douglas Ete (Chair) MP  
Hon. John Maneniaru, MP  
Hon. Peter Shanel, MP  
Hon. Stanley Festus Sofu, MP

#### **Absent**

Hon. Matthew Cooper Wale  
Hon. Martin Kealoe

#### **Secretariat**

Ms. Alice Willy, Committee Secretariat, Clerk to PAC  
Ms. Natalina Hong, Committee Secretariat, Clerk to PAC

#### **2. Opening Prayer**

**Hon. Sofu said the opening prayer**

#### **3. Welcome Remarks**

Chairman welcomed the Committee members and staff.

#### **4. Adoption of Committee Report on the Inquiry into the 2012 Supplementary Appropriation Bill 2012**

Chairman and Secretary briefed Members of the Committee on the draft Report.

The Committee deliberated and resolved that;  
A table is inserted under the sub-heading "Additional Supplementary Expenditures to reflect the figures in the Bill and for ease reference.

Include issues on utilities, Housing rental and occupancy and other details.

The Committee further resolved that the Ministry of Communication and Aviation and Ministry of Culture and Tourism be requested to produce the documents requested. If the Ministries concerned do not produce the documents then the Committee will not table the Report. The Committee also requested that the Secretary draft letters to send to the relevant Ministries regarding the Committee's resolution.

The Committee resolved that it will meet in the morning to adopt the Report with the proposed amendments incorporated in the Report.

**5. Close**

The Committee adjourns at 4: 15pm and the clerk to the Committee closes the meeting with a word of prayer.

## Appendix 3: Letter to Permanent Secretary of the Ministry of Culture and Tourism.



### **NATIONAL PARLIAMENT OF SOLOMON ISLANDS**

### **PUBLIC ACCOUNTS COMMITTEE**

National Parliament Office  
PO Box G.19  
HONIARA,  
Solomon Islands

Telephone: (00 677) 28520  
Facsimile: (00 677) 24272

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Mr John Wasi  
Permanent Secretary  
Ministry of Culture and Tourism  
PO Box G26  
Honiara

Your Ref:  
Our Ref: NP/05/2/2

17 September 2012

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Dear Mr Wasi,

**Request for additional information on the following subheads CONTINGENCY WARRANTS -subheads 0602:6164 - \$15,000,000 on the Festival of Pacific Arts and subhead 4726:5799 - \$20,000,000 –Festival of Pacific Arts Preparations.**

As you are aware, when your Ministry appeared before the Public Accounts Committee during the Inquiry into the 2012 Supplementary Appropriation Bill 2012 on Wednesday, 12 September 2012; the Committee has requested for documents relating to the above two Sub-Heads and in which you have agreed to provide that information to the Committee straight after the Hearing. The Committee understood that your Ministry is yet to produce the required document.

May I remind you that the Committee has the power to summon any public officer to give information in any explanation or to produce any records which the Committee may require in the performance of its duties. Hence, the Committee in its deliberative meeting today unanimously agreed and resolved that your Ministry must provide

the documents tomorrow morning at 8:30am. The production of the documents is very vital for the completion of the Committee's Report.

Please contact and furnish the requested documents to the following Officers in the Committee Secretariat team of the National Parliament: Ms Alice Willy, Phone 23424, email: [alice.willy@parliament.gov.sb](mailto:alice.willy@parliament.gov.sb) or Ms Natalina Hong, Phone 24324, email: [natalina.hong@parliament.gob.sb](mailto:natalina.hong@parliament.gob.sb).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'D. Ete', with a large loop at the top and several horizontal strokes below.

Hon. Douglas Ete, MP.  
**Chair, Public Accounts Committee (PAC)**  
**National Parliament of Solomon Islands**

Cc: The Speaker, National Parliament of Solomon Islands, P.O.Box G19, HONIARA