



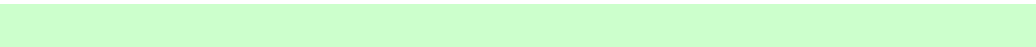
**SOLOMON ISLANDS
NATIONAL PARLIAMENT**

**REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE
ON ITS EXAMINATION OF THE AUDITOR
GENERAL'S SPECIAL AUDIT REPORTS ON**

**IMMIGRATION DIVISION OF THE MINISTRY OF
FOREIGN AFFAIRS, EXTERNAL TRADE AND
TOURISM**

National Parliament Paper No 26 of 2007

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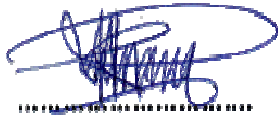
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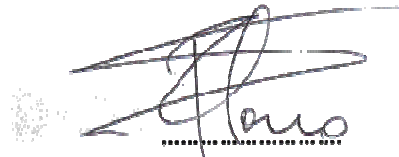
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The Members of the Public Accounts Committee are:



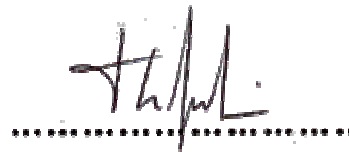
Hon. Selwyn Riumana, MP
Interim Chairman



Hon. Fred Fono, MP
Member



Hon. Johnson Koli, MP
Member



Mr. Floyd Augustine Fatai
Auditor General, Secretary

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON ITS EXAMINATION OF THE AUDITOR GENERAL'S AUDIT REPORTS ON THE IMMIGRATION DIVISION OF THE MINISTRY OF FOREIGN AFFAIRS, EXTERNAL TRADE AND TOURISM

Summary Report

The Public Accounts Committee (PAC) considered a Special Report of the Auditor General into the Immigration Division of the Ministry of Foreign Affairs, External Trade and Tourism. The Report was tabled in Parliament in October 2006.

The Committee noted that the Report identified a significant number of serious shortcomings in the Ministry's administration and in particular those associated with the controls over and issue of passports and citizenship applications. The main issues noted by the Auditor-General include:

- Inappropriate and possibly fraudulent issues of passports;
- Critical breakdowns in passport management;
- Lost or stolen documentation;
- 65% of citizenship applications being granted despite the applicants in majority of cases not meeting residency requirements;
- Suspicions associated with 80% of successful applicants being from same province in Peoples Republic of China;
- Significant shortfall in passport and other Ministry revenues;
- Inadequate follow up and action over illegal immigrants and deportees; and
- False visas not being followed up.

The audit report into the Immigration Division contains 51 recommendations.

The Committee held hearings on 30th March 2007 at which the Permanent Secretary Mr. Jerry Manele and the Director of Immigration Mr. Jeffery Deve appeared before the Committee and answered questions.

The Committee resolved to hold all proceedings in public. As a consequence there was considerable media interest in the issues before the Committee and the evidence taken from witnesses.

The Chair summarized the above major findings contained in the audit report and sought opening comments from the Permanent Secretary who acknowledged that the new Ministry had assumed responsibility for these actions and was taking the audit report very seriously. He acknowledged that there was no action plan developed at this stage but the Ministry had developed a Corporate Plan which was addressing many of the audit issues at a macro level and tabled a copy of the Corporate Plan with the Committee.

The Committee, however, advised the Permanent Secretary that the Committee required the Ministry to prepare an Action Plan outlining action taken in respect to all recommendations and to submit this plan to the Committee by the end of April 2007. Notwithstanding the absence of an Action Plan the Committee requested a verbal update from the Permanent Secretary on each of the areas of key findings contained in the audit report.

Whilst a full account of the deliberations are contained in the Hansard Report the following specific matters were discussed with the Committee.

Computerized Solution

The audit report acknowledged the significant deficiencies in current manual and other systems and the Committee sought clarification on the progress in the Division to implement a suitable integrated system solution. The Director advised that an IT project had been established to develop a suitable system that should address the many shortcomings identified. The Ministry was confident that the new system would provide suitable security over passports, visas and visitors movements to enable alerts to be produced at critical times where management needs to take action. The Director indicated that there was no current funding for the new system and it was hoped that this may be provided through supplementary appropriations. The Committee stressed the criticality of getting the right software and support for this important solution and that the IT project team was tasked to drive this development with full knowledge of database design required.

Liaison with Labour Ministry

The Committee expressed concerns over the lack of controls over work permits and inability of the Ministry to control visitors who may illegally seek and undertake work. The Permanent Secretary admitted that better systemic controls were required over these persons, however, the Ministry was reliant upon the Ministry of Employment which is responsible for labour matters and the issue of work permits.

The Committee requested the PS to work with his counterpart in the Employment Ministry to ensure appropriate controls are put in place. The PS indicated for example that in recent times there has been more rigor over the oversight of illegal workers at logging camps through better liaison with authorities and inspections using police and other resources.

The Committee questioned the PS also in relation to the illegal immigrants and deportation processes. The Ministry advised that this is a difficult area and the costs associated with deportation are very high due to the need for escort officers to travel back to country of origin of deportee. The Permanent Secretary did advise that there had been recent recruitment action taken which awaits approval from Public Service Commission, which should help the Ministry in these oversight and investigation areas.

Passport Controls

The Committee also expressed concern about the audit findings reflecting a complete breakdown in controls over the issue and storage of passports and sought details of the current position. The Ministry advised that revised manual controls have been implemented and better systemic controls put in place. The Committee requested a detailed response on these reconciliations and controls in the Action Plan being developed by the Ministry. The Ministry advised that in recent times there had been no cases of missing or stolen passports and records were accurate. In addition a current problem in Solomon Islands is that dual citizenships are not permitted and citizens must decide on preference and relinquish the other passport. Pending changes to the Constitution, this requirement causes some difficulty for the issue of passports.

Citizenship Issues

The Committee noted with concern the significant issues surrounding the issue of naturalization certificates and passports to persons predominantly in ethnic groups who do not meet the required ten years residency requirements of section 7 (2) of the Citizenship Act. The Permanent Secretary acknowledged these concerns and advised that these matters were the responsibility of the Ministry for Home Affairs which administers the Citizenship Act. The Committee noted this difficulty and requested the matters which require input from the other Ministry be resolved through effective liaison between Immigration and Home Affairs and the outcome included in the Action Plan.

Revenue Collections

The Ministry advised the Committee that shortfalls in revenue noted in the audit report were acknowledged but revenue collections are sent directly to the Ministry of Finance and Treasury on behalf of Immigration Division and consequently close control is not exercised by the Division.

As the Ministry is ultimately responsible for the revenue collected the Committee stressed the need to ensure appropriate monitoring and controls are put in place to maximize revenue collections.

Recommendations

1. The Committee requires the Ministry to provide an initial Action Plan to the Committee and the Auditor General within 28 days. In addition, an updated Action Plan should be provided to the PAC on a quarterly basis until all matters have been satisfactorily addressed.
2. The Committee recommends that the Division liaise closely with the Employment Ministry, Ministry of Home Affairs and Ministry of Finance and Treasury to ensure appropriate processes are put in place to address issues identified in the audit report and ongoing accountability needs of the Division.

Conclusion

The report of the Auditor-General highlighted many shortcomings in the Ministry of Foreign Affairs, External Trade and Immigration. The PAC acknowledges that significant progress had been made within the Ministry but notes that a coordinated response via an effective action plan has not as yet been developed. Some of the matters are outside the direct control of the Ministry but notwithstanding appropriate liaison arrangements are therefore required to ensure eventual satisfactory resolution of all issues noted in the audit report.

The Committee wishes to emphasize that it proposes to monitor and be regularly updated on progress by the Ministry in implementing the Action Plan. In addition the Office of the Auditor General will be requested to perform a follow up audit in 2007-08 to appraise the extent and effectiveness of the remedial action.

APPENDIX 1 MINUTES OF PROCEEDINGS**PUBLIC ACCOUNTS COMMITTEE**

NATIONAL PARLIAMENT OF SOLOMON ISLANDS**Minutes of Proceedings****Meeting No. 2 (2007)**

Friday 30 March, 2007, Parliament House, 9:30 am

1. Members Present

Hon. Francis Zama (Chair) MP
Hon. Johnson Koli MP
Hon. Fred Fono MP
Hon. Selwyn Riumana MP

Apologies

Hon. Fred Fono MP

Secretariat

Mr. Floyd Augustine Fatai, (Secretary) Auditor General
Mr. Warren Cahill, Parliamentary Strengthening Project
Mr. David Kusilifu, Committee Secretariat
Ms. Alice Fakarii, Committee Secretariat

In-Attendance

Mr. Jerry Manele, Permanent Secretary for Foreign Affairs
Mr. Jeffery Deve, Director Immigration
Mr. Eric Muir, Deputy Auditor General
Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr Tony Scriva, Adviser, Office of the Auditor General

2. Inquiry into the report of the Auditor General into the affairs of the Immigration Division of the Ministry of Foreign Affairs.

- The Committee heard evidence from Mr. Manele and Mr. Deve
- Evidence concluded.
- The Committee deliberated.

3. Close

Committee adjourned at 11:30 am until 1:30 pm.